



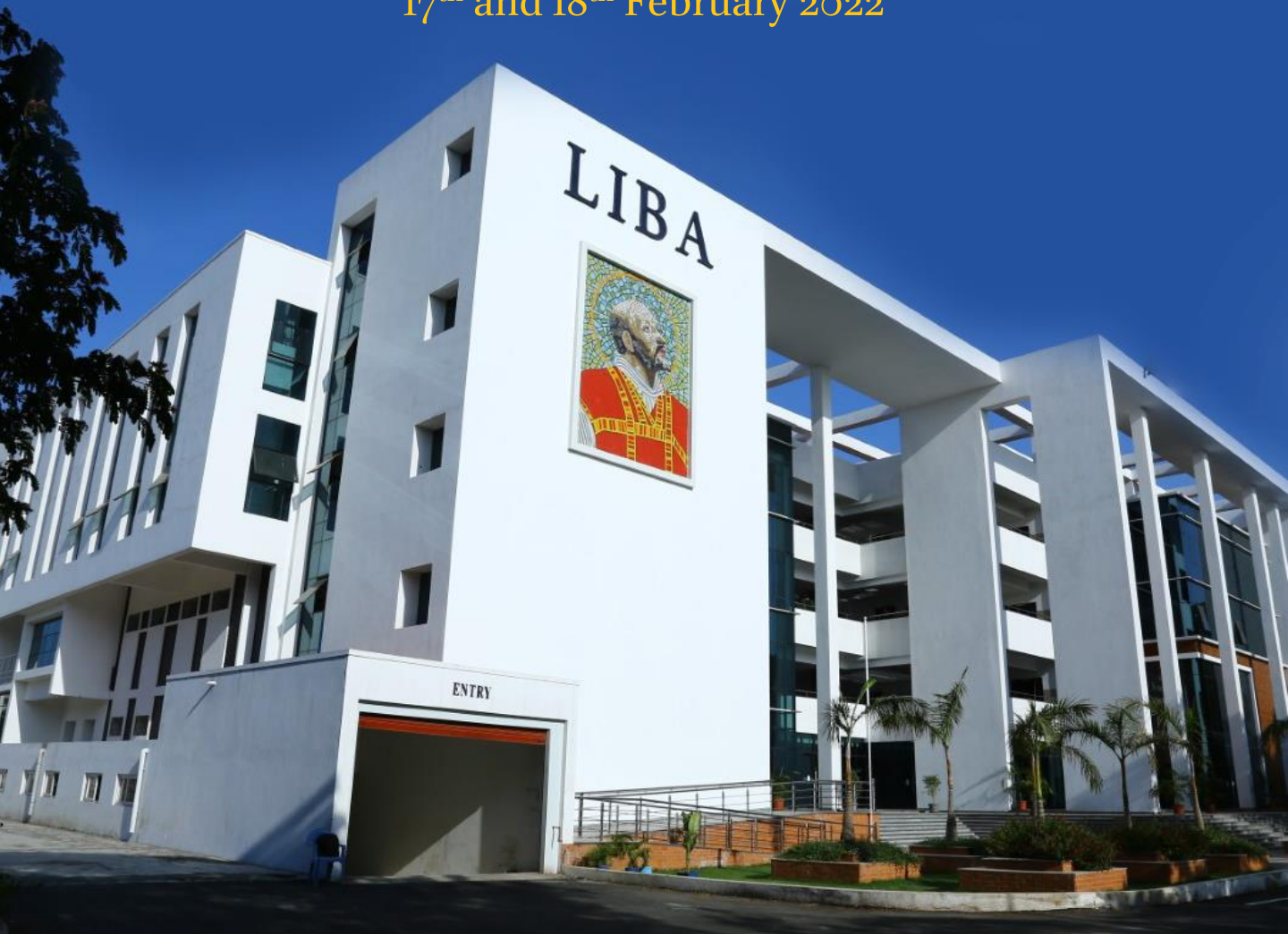
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## Director's Message



On behalf of Loyola Institute of Business Administration (LIBA), I extend my sincere appreciation to you for being a part of the National Case Development Conference 2022, held on 17th and 18th February 2022. LIBA - a Jesuit business school, driven by Ignatian values involves teaching and learning that is relevant, innovative and dynamic, guided by values and ethics. In an effort to make men and women for others as per the Ignatian values, teaching and learning in LIBA involves case teaching and case analysis as part of its pedagogy. It was in this vein that the LIBA's National Case Development Conference was initiated this year to enable faculty of business schools and future faculty to understand and develop teaching cases.

With an overwhelming response from leading business schools, institutes and universities in India, the FDP and Case Development workshop helped faculty to understand and assimilate the nuances of case development. The National Case Conference was a platform for bright and agile minds to come together to present teaching cases. On behalf of LIBA, I am extremely happy to present the Proceedings of the Conference. Let this conference sow the seeds of discernment, intellectual collaboration and deep learning, in bringing together various institutes and B-schools for future National and International Conferences to be held at LIBA. My best wishes and prayers for all your future endeavours.



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# **Authentic Leadership: The CCD turnaround: A Case Study of Café Coffee Day Enterprise**

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## **Abstract**

Authentic leadership is an emerging leadership style that focuses on transparent, ethical, and virtuous leadership traits. It emboldens the open sharing of information to make strategic business decisions while accepting followers' inputs. This case study explores the turnaround of events at Café Coffee Day. Popularly known as CCD, Café Coffee Day founded by V G Siddhartha, brought a revolutionary change in the way Indians perceived a cup of coffee. From being the top runner in the industry and then throwing himself to death into the Netravati River near Mangalore, Siddhartha's death debated speculations of grave mistakes, pressure from moneylenders, and a complex organizational strategy. The media and the industry deemed his death to be the closure of CCD as it was logically impossible to recover from the huge, accumulated debt of Rs.7000 crores. Then came the turnaround story when Malavika Hegde, wife of Late V G Siddhartha, shattered all the disbelief and rewrote the story of CCD by saving the organization from disappearing by reducing the company debt to Rs 1,731 crore as of March 31, 2021. Malavika Hegde - took the reins of the CCD into her fold and drove the organization to a path of recovery even during the pandemic with stellar leadership traits. The purpose of this cases study is 3 fold: First, the study aims to provide an insight into the rise and fall of CCD. Secondly, the leadership styles adopted by V G Siddhartha and Malavika Hegde will be explored and thirdly the relationship between gender and authentic leadership development will be investigated.

*Keywords – Authentic Leadership, CCD, V G Siddhartha, Malavika Hegde, liquidity, debt, capital structure*

## **INTRODUCTION:**

### **About Café Coffee Day**

V. G. Siddhartha, founder of Café Coffee Day, started the illustrious coffee chain way back in 1996 in Bangalore, Karnataka. Being an innovative concept in a traditional Coffee

drinking nation, Café Coffee Day quickly expanded its wings in urban India and opened around 2000 bistros in 2016. Siddhartha's impeccable business innovation and breakthrough business strategies were a breath of fresh air on the cafeteria culture in India. In a range of 20 years, Siddhartha successfully made CCD grow from just a coffee chain in India to take the pride of place in Times Square and Orchard Street.

## **BACKGROUND**

### ***Mounting Debts and Controversies***

The quick expansion of CCD into a huge conglomerate coupled with Siddhartha's strategy of diversifying into many businesses - from producing coffee to establishing café to providing financial intermediary services to IT Companies to logistics businesses to hotel and resorts to Private Equity funds, Cafe Coffee Day had accumulated a huge debt of around Rs 6,550 crores as of March 2019. The huge blow came when coffee prices hit a 13-year low in the international market, thereby dragging Indian coffee export to an all-time low of 10 %.

To combat this debt, Siddhartha had to sell his entire 20.32% stake in the Bengaluru-headquartered IT services firm, Mindtree. He was the largest shareholder in Mindtree and exited the company after remaining invested for close to two decades (The Economic Times, 2019).

The mounting debts were simply unsettling not only for the business but for Siddhartha as well. Even with selling his stakes, the working capital requirements could not be met and the going got tough.

The developments pushed Siddhartha to strike a deal with the global beverage maker Coca-Cola for an equity sale in the flagship CCD at an enterprise valuation of around Rs.10,000 crores. In addition, Blackstone was in talks with Siddhartha to buy a majority stake in his real estate venture known as Tanglin Developments for around Rs. 2,800 crores. However, both these initiatives were taking a long time to fructify. All this snowballed into a serious liquidity crunch. Added to this, the Income Tax Department started scrutinizing the affairs of CCD and brought VG Siddhartha under its radar. The IT Department discovered around Rs. 650 crore of concealed income from the documents they seized in various properties owned by Siddhartha.

## **The Missing of Siddhartha and his Death**

Reports claimed that Siddhartha had been found missing since July 29, 2019, and after an intense investigation, it was found that he had committed suicide. He had left behind a typed and signed letter, which, triggered major speculation in the media and corporate world. In the letter, he had expressed his grief for being a failed entrepreneur and not being able to create "the right profitable business". Moreover, he also alleged that a senior income tax officer allegedly harassed him, which eventually led him to take his own life.

The last letter Siddhartha had left behind is as follows:

"I have failed to create the right profitable business model despite my best efforts. I would like to say I gave it my all. I am very sorry to let down all the people who trust me. I fought for a long time but today I gave up as I could not take any more pressure..." "I could not take any more pressure from one of the private equity partners forcing me to buy back shares, a transaction I had partially completed six months ago by borrowing a large sum of money from a friend. Tremendous pressure from other lenders leads to me succumbing to the situation. There was a lot of harassment from the previous DG income tax in the form of attaching our shares on two separate occasions to block our Mindtree deal and then taking the position of our Coffee Day shares... This was very unfair and has led to a serious liquidity crunch."

## **THE PROBLEM**

### **The turnaround saga**

When Malavika Hegde the grieving wife of VG Siddhartha was soon appointed as the CEO of Coffee Day Enterprises Ltd (CDEL) and she did not balk at the mess that was created by her husband as everybody including the investors and lenders had expected but slowly and steadily got into action. The company under her stewardship started working hard putting in place many strategies one by one to put the pieces back in the jigsaw puzzle.

"It is only a person with emotional attachment to the organization along with dedicated employees that can boost up revenues. Not to forget, that expert knowledge of the core business of the entity is the cornerstone of success." Comments like this were all over the media at this point. Under this crucial circumstance, Ms. Malavika Hegde committed herself to continue the proud legacy her late husband left behind.

### **What did Malavika Hegde inherit after Siddhartha's demise?**

An over-leveraged business conglomerate

Insufficient cash flows leading to a severe liquidity squeeze

An all-time low company stock, having crashed over 50% from Rs. 191 on July 29 to just over Rs. 77 on August 8 on BSE

No more collaterals as all his assets had already been pledged

A highly complicated business structure - A holding company, 4 major subsidiaries, 40-plus step-down subsidiaries, and over half a dozen associates and joint venture companies - difficult for public investors to follow and making asset-liability management a nightmare

A huge conglomerate which was run single-handedly by Siddhartha himself

Compromised corporate governance in the group companies

A pandemic which made things worse

## **PROPOSED SOLUTION**

Malavika's wrote an open letter to the employee's of CCD after taking over as CEO (extracts are as below):

The Times of India carried the letter that Malavika wrote to the company's 25,000 employees in 2020 before taking over as CEO of the company. Hegde wrote that she was committed to the future of the company and assured that the Coffee Day story was "*worth preserving*". Her letter came hours after a probe revealed that a private entity owned by Siddhartha owed Rs. 2,693 crore to Coffee Day Enterprises Limited (CDEL). She further added "*We will work to reduce the debt to a manageable level by selling a few more investments as I am committed to the company's future,*"

### **Restructuring plan of Malavika Hegde in finding a long-term sustainable solution for the revival of CDEL:**

Monetised its 10-floor posh corporate workplace in Bengaluru by promoting off the remaining interval of the lease to consumers.

Obtained the support of major lenders like Rabobank, DEG, Yes Bank

Shifted the company workplace to a smaller facility.

Issuing applicable monetary devices and optionally convertible debentures or bonds, to lenders

Selling Global Village Tech Park to the Blackstone Group

Gave clear signals that CDEL will pay each rupee of its debt and does not expect any haircut from lenders

Current focus is on the core coffee business

Sell its stake in Mindtree

Sold a part of its real estate business under Tanglin

Discard around 30,000 custom-made cabinets used for vending machines which were not profitable

Brought on board EY India to handle its CFO functions in a display of transparency and to dispel all doubts in the minds of potential buyers of its business.

Divestment of Sical Logistics

Closing down outlets which were not generating good business

Exporting high-quality Arabica coffee beans produced from the family-owned coffee plantations.

Maintain the brand's vision, value and build relations with many new investors to infuse capital into the business.

By these revival strategies, Malavika Hegde has proved that she will not leave any stone unturned to uphold the business her husband gave his entire life to. She has taken herself into the role at an amazing speed with her confidence, hope, and optimism. Her resilience in such a tough situation has shown that she possesses the positive psychological capabilities of an effective leader. With the support of her team, she has shown the way forward for a once debt-ridden company to pursue the meteoric rise of the Café Coffee Day brand, which will continue to be hailed as one of the successful turnaround stories in India Inc.

### ***The Present Day Coffee Day Enterprises Ltd (CDEL)***

In the FY21 CDEL's net operational revenue was valued at Rs. 853 crore against Rs. 2,522 crore in FY20. The brand currently has its presence in the coffee, logistics, and hospitality segments. Its most famous coffee brand Café Coffee Day (CCD), contributed around 47% of its consolidated net revenue. CCD currently operates 572 cafes, which run in 165 cities and 333 CCD Value Express kiosks. Additionally, it also boasts of having around 36,326 vending machines to dispense coffee in corporate houses workplaces, and hotels.

Malavika Hegde successfully overcame the challenges to get the organization back to the road of recovery by substantial debt reductions. CDEL had mentioned in its annual report that its net debt stood at Rs.1,731 crore as of March 31, 2021.

The two letters written by Siddhartha and Malavika indicate the leadership mettle of both of them. Not taking away anything from Siddhartha, experts say he followed a very complex non-transparent business model, which though initially proved to be very successful but did not fructify eventually. Nevertheless, he still did not have the self-awareness to take the help of professionals in dealing with such grave situations. Though he had the best intentions in mind to place India on the global map and at the same time, give back to the community still did not dare to carry forward his ambition and passion.

However, Malavika Hegde has oozed out confidence and hope to the employees, lenders, investors, and stakeholders and has made a sincere attempt to stay afloat and look at reorganizing the entire setup. She has certainly used her positive psychological capacities coupled with self-awareness and restraint in creating a conducive ecosystem and with her team has negated the predictions of business analysts and leaders that CCD will not survive in the end without Siddhartha.

## **RECOMMENDATIONS**

The status quo of women in the past couple of decades has changed significantly. In the present day, women have been playing a vital role in the growth of the world economy, have made a huge impact, and have tasted success in almost every business sector. It is time we understand what drives women to become successful business leaders especially in the face of adversity. The Harvard Business Review identified common traits in successful women leaders. The report indicated that women rated better than men on key leadership capabilities. The report further revealed that women outscored men on 17 of the 19 capabilities that differentiate excellent leaders from average or poor ones. (Jack Zenger and Joseph Folkman, 2019).

Ages back the Indian epitome Taittiriya Upanishad composed as early as 6<sup>th</sup> century BC is a holy Sanskrit text, which contributes to a vast body of literature, wherein knowledge is transmitted by way of conversations. There are enormous leadership lessons one can pick up from this noble work of Sage Vaisampayana. Chapter three of the Upanishad concentrates on the Pancha koshas alternatively five sheaths (cover) which offers insights on the five layers of human existence namely annamaya kosha (food sheath), Pranmay kosha (vital air sheath), Manomay kosha (mind as distinctively different from intelligence

sheath) Vigyanmay Kosha (intellect sheath) and Anandamay Kosha (ceaseless joy not connected with body or mind). (Bridget Layne, 2021)

Taking insights from this rich rendition, contemporary business houses have started practicing a superior model of leadership style so-called authentic leadership. Unlike the old school of dictatorship, authentic leaders emphasize values, self-awareness, self-reflection, effective feedback, and they effectively resolve and manage conflicts at the workplace.

Trust one's thoughts, feelings, motives, and values, self-reflection, responsiveness to feedback, and can resolve conflict in honest and non-manipulative ways.

Women corporate leaders have believed that building a business is all about having a vision and working towards it with positive belief and confidence. Women leaders exude innate characteristics like perseverance, creativity, and resilience. Numerous business strategies followed by women leaders and entrepreneurs have created have laid a strong foundation for business empires. Women have broken the glass ceiling, pioneered their way to the top, and have led by example for the next generation of leaders. Once a broken wife - today a role model of an Authentic leader who has proved to the world that with the right combination of values, vision, strategy, and resilience turnarounds are possible and that there is no need for suicide or fleeing the country. Ms. Malavika Hegde has proved that the brand of CCD was worth preserving. The Authentic Leadership Development Model developed by Luthans and Avolio (2003) illustrates the linkage between ethical leadership theories, positive organizational behavior, and transformational leadership. Figure 1 illustrates the model:

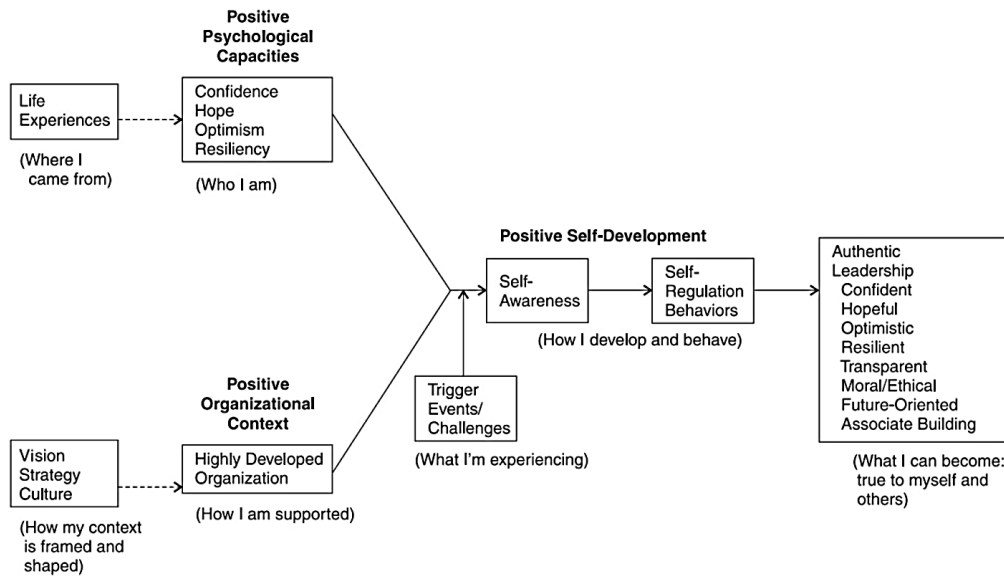


Figure 1. Authentic Leadership Development Model (Luthans and Avolio, 2003).

Authentic leadership has a significant impact on work satisfaction, effective teams, workplace engagement, and the financial performance of the organization. “A pattern of leader behaviour that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development.” - This definition of an Authentic leader coined by Walumbwa, Avolio, Gardner, Wernsing, and Peterson (2008) emphasize that the first step to becoming an authentic leader is to *know thyself*. From a genuine understanding of our values, limitations, and strengths, one will be in a better position to hear and integrate the perspectives of those they lead. It is said that such a leader will be better able to weigh up decisions and take action in ways that align with their values and those of the collective they represent. (Anna Söderlund & Josefine Wennerholm, 2021)

*So, can Malavika Hegde be classified as an authentic leader?* She is certainly one in the making. In such a smouldering situation she did not cow down, back out, retreat into oblivion or flee untraceable to another country but rather decided to take it by the horns and deal with it. She understood the gravity of the problem but kept in mind her roots and kept alive her husband's legacy. She continued with the same passion that was the hallmark of her husband.

She took the help of professionals and spearheaded the team in strategizing the operations of the business with the sole motive of repaying all the debts. She drafted a clear



restructuring plan, obtained the cooperation of the same lenders and investors who had issues with the operating style of her husband. She brought in a culture of transparency that was missing earlier.

It truly required a huge backup of courage to stand up in front and give hope to the 25000 odd employees that all is not lost and rubbed off her positivity and optimism to her team who reiterated the same resilience that she had in step by step repaying the debts but at the same time keeping the business alive and continue in its revival journey.

She has done these with a sense of self-awareness as she did a thorough analysis of the highs and lows of the business empire and learned to play to her strengths and that of her company.

Her attitude of cost cutting but at the same time not increasing the cost of coffee to the customers.

As an authentic leader, she has certainly qualified to lead the team of CDEL on the road to recovery. Her commitment to pay off her debts and ethically convert a beleaguered run-down company keeping in mind the futuristic changes indicates that she has all the trappings of an Authentic Leader.

This case study helps in exploring the relationship between authentic leadership traits and gender. Authentic leaders like Malavika Hegde have shown a positive impact on the organization, its employees, and its stakeholders. Authenticity is a natural trait in women who can steer through any situation with self-awareness, relational transparency, balanced situational analysis, and a high level of internalized moral perspective, which are the hallmarks of an authentic leader. This case study can furthermore be used to research emerging leadership traits of Women Leaders.

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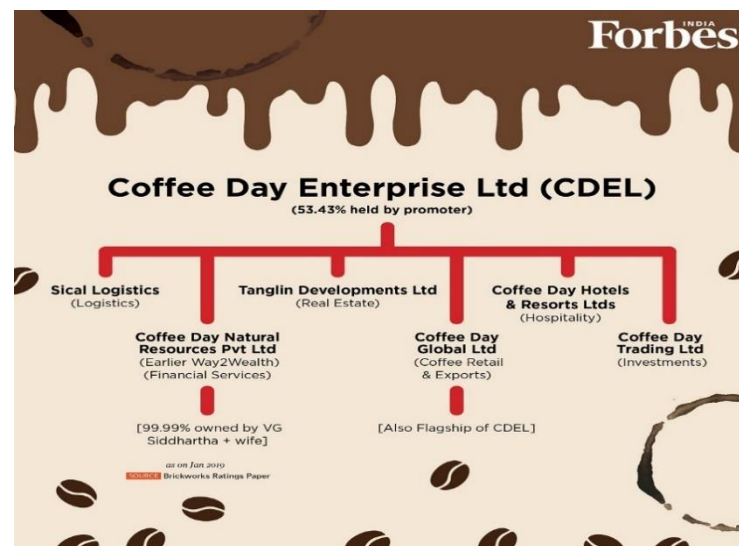
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## EXHIBITS



*Exhibit 1: Diversification mantra of Siddhartha  
(Source: Brickworks Ratings Paper, Jan 2019)*

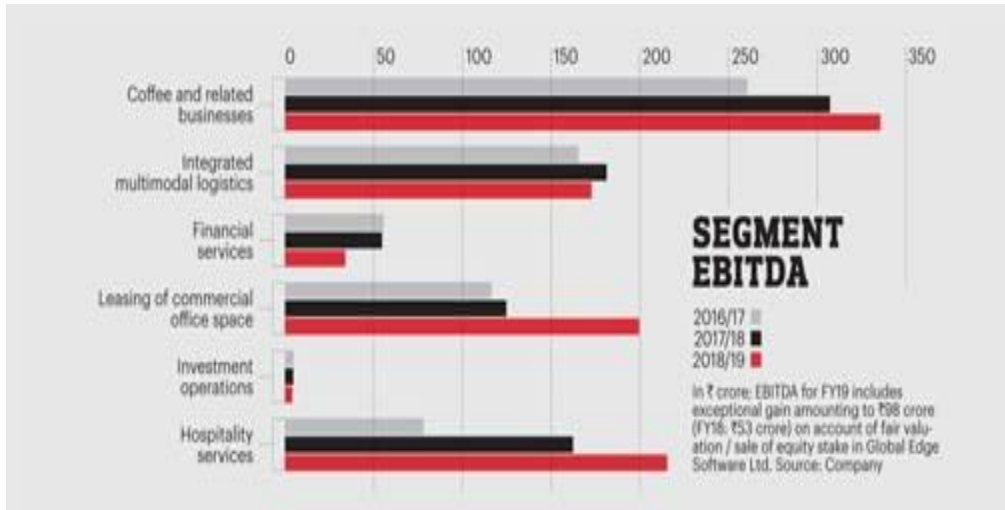


Exhibit 2: Revenue from the various business wings of CDEL  
 (Source: CDEL)

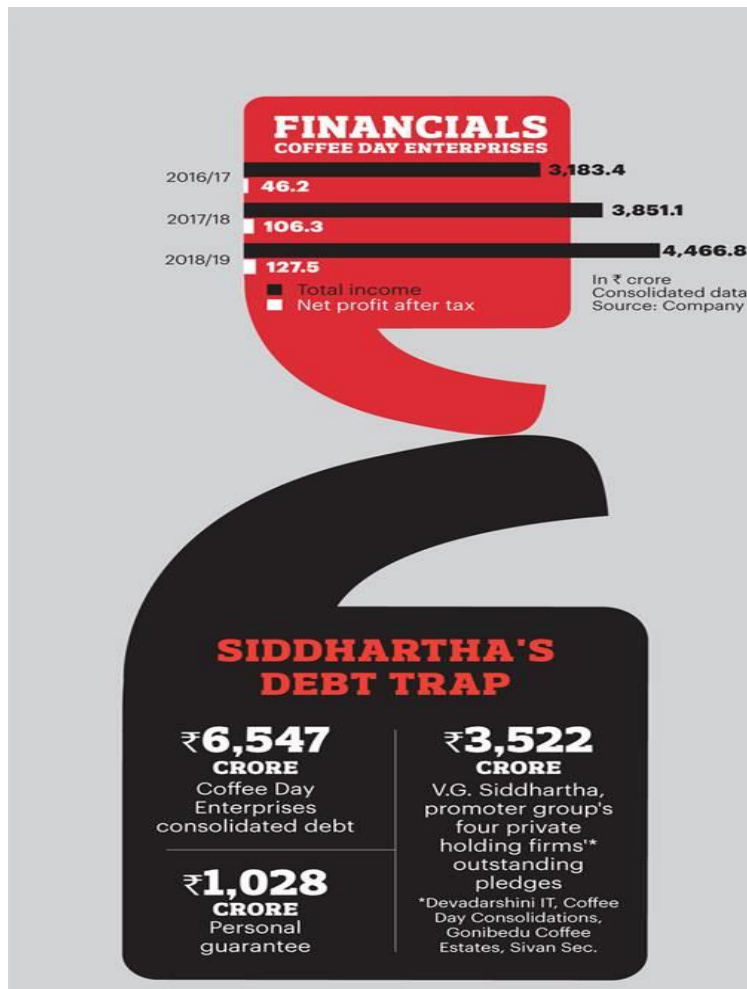


Exhibit 3: The extent of accumulated debts of CDEL  
 (Source: CDEL)

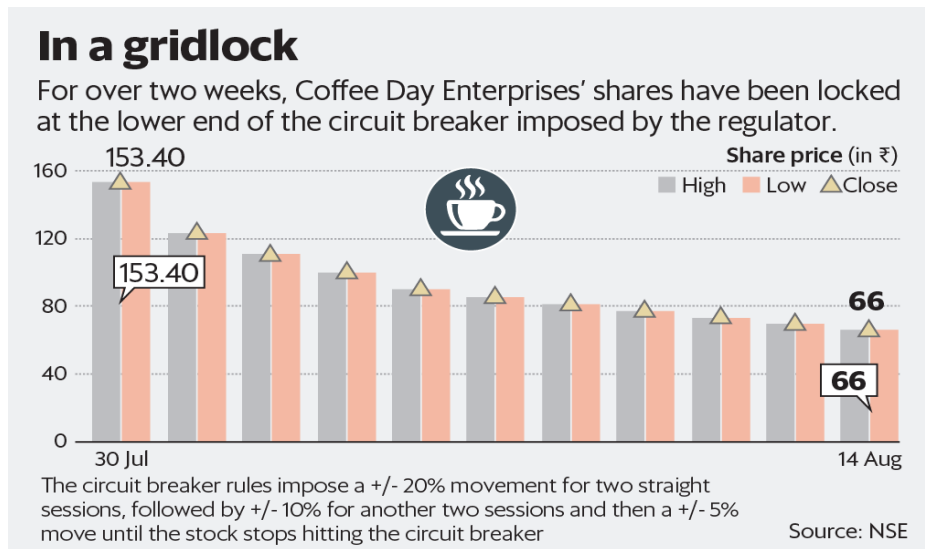


Exhibit 4: The share prices of CDEL post the death news of VG Siddhartha (Source: NSE)



Exhibit 5: The share price of CDEL as of 31<sup>st</sup> January 2022 (Source: NSE)

## **BOG Energies: Leadership drive towards organizational excellence and sustainability**

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### ***Abstract***

The case study highlights the journey of BOG Energies, a *fictitious* Oil and Gas Company operating in the fossil fuel energy sector. BOG's relentless focus on high-performance and efficiency requires a constant scrutiny as organizations in the energy business have a paramount responsibility towards the global climate change. The objective of this case study is to accentuate BOG leadership's need to establish a framework of Organizational Excellence towards a green future. Leadership must drive the Organizational Excellence Framework (OEF) with the prime focus of upholding a strategic commitment in achieving the set target of Net Zero by 2050. This case study will highlight the leadership dilemma in driving employee motivation, performance, and organizational excellence while striving to achieve a sustainable future.

***Keywords:*** Leadership, Energy, Sustainability, Net Zero

### ***The Issue***

As a small company BOG Energies had a simple organizational structure which could be managed well. Routine operations were handled with ease through well-defined systems and processes aligned with the organizational objectives. As BOG expanded both locally and globally, there was a paradigm shift towards employing a responsible global workforce that would actively support the company's efforts towards meeting the customer demands. Further, BOG needed a strategic focus on renewable energy, clean energy initiatives, and waste-to-energy capabilities while aiming to become a market leader in both domestic and international operations. With its increasing business footprints, market competition, and dynamic energy industry environment, the leadership at BOG Energies felt the need to build an integrated approach towards sustainability and excellence. Thus, the question arose: ***What should the leadership at BOG Energies do to elevate the company towards sustainability and excellence?***

***BOG Background: Path to a Radiant outlook***

In the early 1980s, BOG made a humble start in Kuwait in partnership with some Western ventures to meet the increasing energy demands. The initial aim of the company was to ramp up the production by providing expertise in business operations and collaborating with other established companies. Once the operations started showing profitability, BOG quickly adapted and understood the importance of imparting the professional management process into the business to sustain amidst the volatile energy dynamics. The leadership clearly inculcated the philosophy among employees that lessons from today's challenges would be crucial for tomorrow's solution.

Due to its robust vision, mission, and values, the company has grown even during uncertain economic conditions. In 2010, BOG transformed into a public-listed company with six subsidiaries providing end-to-end solutions from exploration to the supply chain of refined product distribution. In 2019, the company launched its IPO, the largest in the Middle East region's stock market. Its share offering attracted more than \$10 billion and became the largest company based on market capitalization. In BOG's history, this milestone enhanced the expansion and diversification, through raising cash from outside investors. BOG's success is demonstrated in its consistent growth rate (Figure 1).

Sticking to the core principles, BOG is constantly refocusing with emphasis on new initiatives such as digitalization, carbon neutral products, and operational excellence through Industrial revolution 4.0 (IR4.0) concepts. As time moved on, digital and physical connections seemed more real, and progress became clearer with more tangible benefits. BOG Leadership understood that the time is ripe for innovation and transformation. The company has grown tremendously and is highly driven through a robust human capital. The dedicated leadership has a central role in the organization's strategic growth and development.

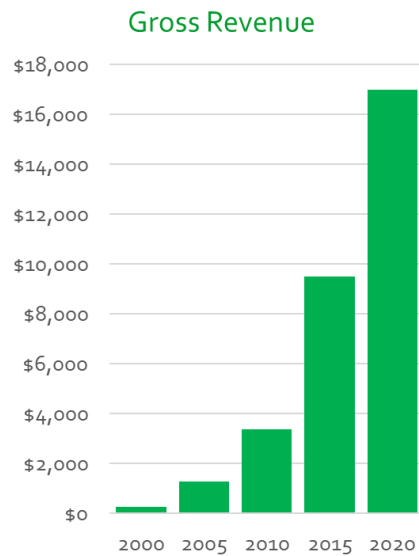
While most processes were robust and followed diligently across the company, there was a pertinent need for an Organizational Excellence Framework to prioritize the investments aligned towards energy transition. Globally, the energy sector was innovating for reducing carbon footprints. Thus, the leadership at BOG Energies had to adapt a policy through which the company could attain a sustainable growth in a pro-climatic way.

***Bygone path***

Looking the pathway BOG travelled and transformed from a small operating company to a publicly listed one, the vision was constantly reformed to attain organization excellence. This was realized by enhancing and enriching the potential of the employee workforce and granting opportunities for growth, well-being, and progression. During the initial years, the leadership framework was not stout in terms of planning, delivery, and transformative approach. Company management involved in all aspects of the business functions like planning, organizing, staffing, directing, and controlling. There has been a continuous effort to establish an internal framework of standards and processes intended to engage and motivate employees to deliver with a goal to fulfill customer requirements within business expectations. Leadership was very particular about tangible results, with excellence principles and sustainable practices.

BOG's functional groups particularly people group responsible for the Organizational Development (OD) transitioned from managing a regional to a global organization with multifaceted strategic rudiments namely, customer and market focus, knowledge management, workforce management, process management, business results in terms of sustainability, profitability, technology innovation and partnership investments. Further, the 2008 financial crisis brought a negative impact on energy market, for instance, a steep decline in oil price (the price of a barrel of crude oil dipped from \$133.88 to \$39.09 in less than a year). During that unprecedented time, BOG overcame that situation by raising capital. The need of organizational change by grabbing opportunities and thus emerging as a different entity with vertical splits is adopted with strategic planning and related process management. BOG formed six strategic business units, restructuring its organization to further strengthen and create value.





**Figure 1.** BOG revenue growth

**Source:** Company reports.

**Note:** Gross Revenue is in Million dollars.

### ***Abe's predicament***

Abe Raj's vision was always to be an entrepreneur and he joined BOG, 16 years ago as a management trainee through the Youth Training Program (YTP). Being a positive and diligent professional, he established himself with a unique style and focus. Fourteen years into the Company, People and Organizational Development (OD) became his prominent focus area. During his journey, he often realized or got feedback that the processes and practices were not really streamlined and consistent. During the starting years, he did not put enough attention, however, the people of his group and organization were highlighting those lacunas, which made him anxious.

While he went for a Summit in Paris, he got a suggestion to read a book, *Strategic Management: Creating Competitive Advantages*. This book was authored by Gregory G. Dess, who provided a sound handling of conventional topics in strategic management as well as through analysis of contemporary topics such as leadership strategies and assets, entrepreneurship, workforce motivation, innovation, internet strategies, crowdsourcing, environmental sustainability and more.

This book provided a great insight and he decided to impart the concepts and tweak the BOG's current organizational excellence framework, which was predominately based on the proven leadership model of the six P's (*Refer figure 2*). Without any further delay, he started the task to make a visionary presentation to the company's leadership team and inspired them with a plan to execute a strategic road map for the company. Essentially, the

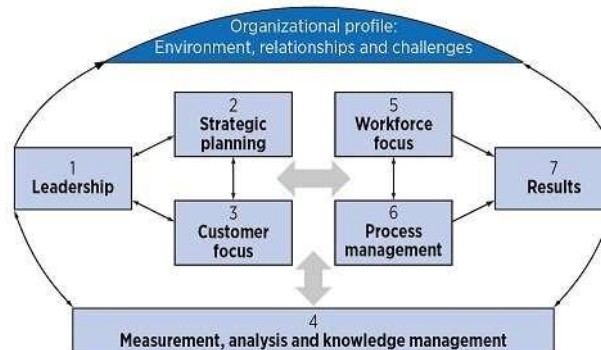
crux of the program was to build and strengthen the organization’s foundation based on BOG’s core strengths. As per Abe, the fundamental motives for the need of transition from the framework based on Six P model to a newly modified framework were to align the existing high-level model to a distinct and tangible model in terms of BOG’s leadership focus. This strategic refocusing would not only help BOG achieve organizational results but also help in achieving sustainability and excellence.



**Figure 2.** The Six Ps model **Source:** Reference [3].  
**Note:** Six P model can support and deliver Organizational excellence

***Building a team to drive Organizational Excellence***

In the process of implementing the approved strategy, BOG’s leadership provided a go-ahead in implementing a pilot project and identifying the areas of the current framework which required attention. So, Abe could not get on this alone and hence he had to form a team to take this forward at an organizational level and then come up with a plan for execution.



**Figure 3.** Organizational Excellence Framework  
**Source:** 2021-2022 Baldrige Excellence Framework

Aniv, a veteran and multidimensional expert with BOG who had been with the engineering, quality, operations, and strategic development division since the past 17 years, joined the task force. He had shown considerable results in creating value addition, by bringing in new measures in business' focus towards customers and other external stakeholders. Once he spearheaded in launching a new business unit for the downstream energy sector and bringing in partnership investments. His growth within BOG was phenomenal as he was a pioneer in making more profitable upstream (eg., oil exploration and production).

He also contributed to expanding valuable downstream sector (eg., refining and petroleum derivatives) thereby generating advanced entry to growth markets and enhanced revenues. His presence brings more professional excellence exhibiting characteristics and behavior, such as respect for others, fair evaluation, and positive regard, which became a model for the board, the staff, and the entire work force. He also possessed critical intelligence and analytical expertise which he often engaged to resolve internal business matters. In addition, he was genuinely recognized for his people skills and nurturing an environment which greatly aids in work-life balance.

Amey, an intensive and vivid OD professional was recruited into BOG's strategic leadership team 4 years ago, was also inducted into the task force. He had an extensive experience in the field of energy upstream, downstream including renewables. He is a brilliant orator who can influence people, motivate the workforce and provide the urge to the employees to constantly grow along with the organization through innovation and knowledge sharing. Any kind of emerging technologies and initiatives to bring in value to business is unanimously given to him and his remarkable team.

The **P**'s which needed redefinition, were Strategic **P**lanning, **P**eople and **P**rocess. Abe along with Aniv and Amey dived in deep towards restructuring the framework, which was conceptually defined as shown in the Figure 3. The framework eventually become more palpable helping to assess BOG's strengths and opportunities for improvement constantly and facilitate in better positioning in order to accomplish the board's strategic targets, recuperate the results, become more competitive and sustainable.

### ***Strategy Roadmap***

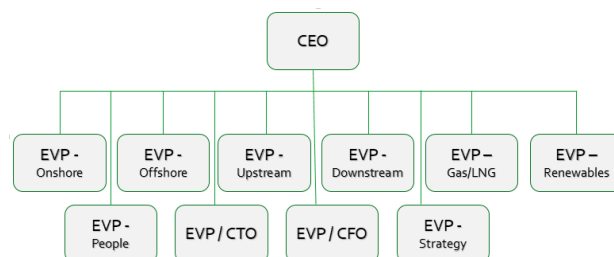
The survival of an organization would generally depend upon the compatibility between its strategy and the type of environment it confronts. So, Abe's team asked several questions themselves as part of this evaluation activities, to come up with a rational solution. This forms the fundamental approach for appraising the essential bases of an organization's strategy. There are several external and internal factors which can prevent organizations

from realizing their yearly and long-term objectives. The external factors are mainly competitors’ actions, fluctuations in demand, technology evolution, economic variations, and demographic shifts. In addition, the internal factors are selection of ineffective strategies or poor implementation of strategic activities. Sometime, the organizational objectives may have been too optimistic. Therefore, failure to accomplish objectives may not be the consequence of unsatisfactory effort by managers and employees. All organizational members need to know this to embolden their support for strategy-evaluation activities. It is vital that the organizations need to know as soon as possible when their strategies are not effective. At times managers and employees on the front lines ascertain this well beforehand the strategists. While defining the Organizational Excellence Framework, there shall be substantial emphasis on the employee motivation focus embedded so that the leadership strategies can be achieved.

While the organizational strategic goals are set, it becomes obvious that prevailing HR process of BOG need parallel revisiting. BOG’s management knows well that if the employee workforce is not motivated to implement the formulated strategies, there is very little chance of succeeding the set goals and objectives at the organizational level.

Furthermore, BOG started taking extensive corrective actions based on the evaluation activity after reporting decline in revenues and profits due to market and external volatility, consumer demand and unprecedented pandemic effect.

As an important action, the organization structure was revamped, and new Strategic business units (SBUs) were introduced. SBUs aligned with dedicated Executive Vice-Presidents (EVPs) and new renewables unit were formed. This was mainly because the energy demand will continue to grow but cannot sustain, as there is global plan to decelerate the fossil fuel consumption and adopt clean energy. However, the fossil fuel will still be in subsistence as the downstream products like petrochemicals demand will grow. Demographically, the energy demand will swing towards the Asian countries.



**Figure 4.** BOG’s SBU Organizational structure

***Introspecting the Situation***

Abe briefed his Leadership committee and his EVP colleagues along with his team. There was a general agreement among them that all businesses should be deliberated in the same way while restructuring during the implementation of the framework. Profit and revenue generating business units alone should not be given the required importance while neglecting the service functions.

The performance metrics were defined at the organizational level, process level and work unit level since the elements of creativity, innovation, productivity, competitiveness, profitability, effectiveness and efficiency existed at all the levels. During the recent years, BOG's workforce performance exhibited a downward trend. Amey further added that,

*It has been observed that the process of attracting, developing, and maintaining a talented and energetic workforce is very much essential to support the organizational mission, objectives, and strategies. Based on the feedback of the pulse survey recently conducted, there are some alarming indicators as to, how are we going to fix them and keep our greatest asset intact....?*

After serious debate and discussion, there were three focus areas, which the management unanimously voted to focus more on and align into the framework, namely, stress management, work-life balance, and workforce motivation. This formed as basis for strengthening the foundation towards executing the leadership strategy as per the refined framework. This also aligned with the HR workforce focus which could result in superior levels of commitment, ingenuity, and collaboration among the employees.

BOG adopted policies and to gain and sustain competitive advantage, it became also progressively aware of the importance of maintaining and promoting employee well-being. In the all-time more stressful work environment and competitive labor market, work force engagement process is key for retention and performance. In addition, BOG operates in the fast-moving and increasingly intricate environments. For this reason, constant innovation and performance sustainable development of excellence is highly demanded on the organization's focus and its own employees.

***Dilemma while eyeing for the future***

In order to stretch the value of BOG's resources all the way to the customers, there was a need to review the Organizational Excellence Framework addressing the customer focus too. In order to realize this, it warrants some fundamental changes to build a blueprint. Aniv, having a plethora of experience in the energy field operations, enlightened the team with his perspectives:

*It is clear that the future is not here.....are we ready to approach it with pragmatism?*

*How much and how do we need to invest for future demands?*

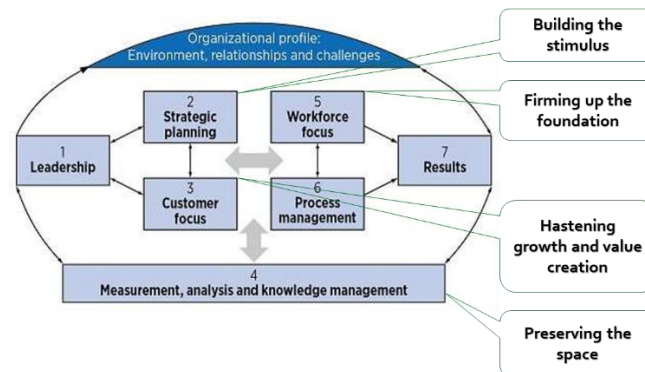
*During this pandemic battle, with global economy unusually uncertain, how can we have a sustainable energy solution which would be pro-climate and pro-growth?*

The leadership understood clearly as the energy industry paves a new strategy for the future, digital is the lifeblood for companies. In order to own the space as part of the strategy road map, a variety of new technologies such as the Internet of Things (IoT), Robotics, Cloud computing, and Artificial Intelligence (AI) have to be imparted into the business model. They are essential in fueling innovation thereby impacting BOG's strategic-planning decisions. In addition to the digitalization, BOG also believed that capital projects delivery excellence will take them to the future accelerating the growth and value creation. With its direct impact on changing core bottom lines and spark breakthrough efficiency, intelligent automation also has emerged as an indisputable agent of change for the BOG's value chain and its end-to-end integration.

In terms of technology and innovation, it is vital that the process of Performetrics as part of the framework needs to be revisited. This concept which is part of existing framework, primarily focused in building performance metrics for work job functions with dash boards and manage workforce performance. However, there was a gap in developing the required priorities for opportunities for innovation. The speed and enthusiasm with which BOG had adopted the tools of measurement and analysis during the last decade, steers to the substantial ability to boost efficiency, build organizational capabilities, facilitate learning and step up innovation in among global, technology-intensive firms which are fronting constantly shifting business and operating situations. With new focus of digitalization and AI-focused approaches, and the need to own the future space, the framework needs to be augmented further as it can bring in potential and captivating prospects. Hence, BOG craved to invest more in the design and implementation of tools and system embracing IT based solutions.

This sheds some insight towards the requirement to redesign HR systems, embracing new functioning procedures, new technologies with digitalization opportunities as the situation changed under pandemic conditions (e.g. home office). These decisions can have either a positive or negative impact on the organizational workforce. While these reforms change the working conditions of employees it will also concern their well-being, work satisfaction and motivation, their commitment level, and feelings of belongingness to the organization.

Such decisions and changes also can influence the behavior of groups or departments via group processes, such as organizational climate, leadership behavior or organizational culture. Amey's thought process already started to work on these use cases demonstrating the benefits to have an easy roll out.



**Figure 5.** Organizational Excellence Framework (redefined)

**Source:** 2021-2022 Baldrige Excellence Framework

### *Going forward*

With the redefined aspects to be covered under the framework as in **Figure 5**, Abe made up his mind that his presentation for Leadership approval prior to roll out must also address the most important critical challenge that most of the Oil and Gas companies are facing as the entire world shifts towards clean energy. Abe ardently desires to defend the Company's position in the energy mix as he did during the recent Climate summit representing BOG.

This summit has got a plentiful participation from many energy industry leaders including BOG as government officials, corporates and activists clashed over emission- cutback targets, pledges and deals to preserve global temperature rises to a minimum at the climate conference. Abe's key takeaway from the summit is that BOG needs to maintain their strategy by broadening their energy offering horizons and reducing carbon emissions while also retaining supplies of hydrocarbons that are nonetheless profoundly relied upon. "The bottom line is.....the argument is not nearly cutting off the fossil fuels, however, it's about the releases from them....."

So, building the stimulus approach needs to address in dealing the emissions and provide the quality of life that BOG has provided to the customers and community. It needs to address bringing in new partnerships and focus on restructuring with a new brand value.

This can be realized through a strong and dynamic investment case in achieving pro-climatic and pro-growth and thus BOG, as an organization can continue to be a role model of sustainable development.

Despite the assiduous work of the task force, pilot study, and mindful managerial deployment, the question remains *will the Organizational Excellence Framework be successful in elevating the company towards sustainability and excellence?*

### **Declaration of Conflicting Interests**

The authors declared no potential conflicts of interest with respect to the research, authorship and/or publication of this article.

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## **Sustainability In Transportation With E-Vehicles**

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### **Abstract**

Environment pollution level is arising. There is various factors influence on this pollution. Transportation pollution is one among these. Most of the people use their own vehicle as well as used the public and private transport. These vehicles are operated by the fuels which release chemical emissions that will affect the air leads to pollution. Transportation is unavoidable for everyone. The transportation activities can be done in low chemical reactions will leads to less pollution. To reduce the pollution and to save the environment electronic vehicles can be used. The awareness level about the E-vehicles is not up to the level among the society.

### **Introduction**

Transportation is a much needed one in our country. People want to move from one place to another place they use this transportation. Transportation can be done in various ways. In every place transportation plays a vital role. The people use the public as well as private transport, at the same time they also have their owned vehicles. More number of transportation can be creating some serious environmental issue because more vehicles are not used in electrical vehicles and it was operated on the fuel.

### **Background**

Nowadays more number of issues can be takes place in climate change. There are various factors behind this climate change. The transportation which can be done through fuel also may be one the factor for the climate change. Because if the vehicles are operated through fuels, that will release the smoke which consists on various chemical components that will be a tiny one and it is invisible that will mix in the air, if the people breathe that air that will create health issues on the people and also that air will reflect on the environmental changes as well the issues like high heat in the temperature, bad quality in the air etc. It can be done by the fuel operated vehicles.

### **E-Vehicle Market**

Electric vehicle means a vehicle which can be operated by the electricity as well as by the battery. These vehicles will not be operated by the fuels. The e vehicle market in our nation is in the infancy stage and it is estimated that it will be on ninety percent by the year 2030

based on the compounded annual growth rate. More number of automobile companies eyed on the e- vehicles. Some of them already launched their e-vehicles in the market.

### **Need and Problems in adopting E-Vehicles**

The environmental issues are arising frequently in the nation as well as the world. Nowadays the usage of fuel-based vehicles is in the high level. If these vehicles are used that will affect the environment as well as the health of people. Instead of fuel vehicles the e-vehicles can be used for the transport that will not have any impact on the environment. More number of e vehicles is available in the market. But the people have some hesitation on buying the e vehicles. Some of the reasons are

**Recharging Station-** The e vehicles can be operated only within the specified range that means it will be operated within the stated kilometer. If the vehicle can be operated more than that, the recharging stations can be available in all the places but now there are only the selected recharging stations available in the places.

**People awareness-**The awareness level of the people about e vehicle is not up to the level. The people have various thought like mileage, model, quality etc. By these reasons the people are not shown their interest on buying the e vehicles.

**High price-The price** of the e vehicles are high in the market. Price plays the important factor on the purchasing. As most of the people are in the middle level income they found the prices are high for the e vehicle so they are not buy the e vehicles. Recently, the new Ola electric scooters are priced in the range of Rs 99,999 to Rs 1, 29,999.

**Rare technology in battery-**The people want to ride their vehicles for long distance. In e-vehicle the battery technology may be good the that will not be operated for long distance, as the people look on this aspect, they are not shown their interest on the e vehicles.

**Lack on the availability of products-**Normally the people looks for various styles and models for buying the vehicles. In this e vehicles only selected or limited models only available in the market. As the people found that, only limited model only available they will not focus on buying the e vehicles.

### **Solution**

The challenges will be always in the market. But there are some ways to overcome these challenges for the e vehicles. They are,

**Boosting more recharging stations** -Like fuel filling places there will be more recharging stations can be implemented in the important areas for the e vehicles this will automatically create a good image on the people and they can show their interest on buying the e vehicles.

*Reasonable price* -More number of operating expenses lead to the high price for the e-vehicle. The companies can charge some reasonable price for their e vehicles. These also have a positive impact among the people and they will buy the e vehicle.

*Special subsidy for e vehicle manufacturing*- The government can provide special subsidy to the manufactures of e vehicle. So more number of manufacturing will takes place and the more e vehicles model will be available in the market.

*Advanced technology in battery*-The advanced level of battery for the e vehicle can be definitely creating a positive mindset to the people and they will be interested in buying the e vehicles.

### **Conclusion**

The electric vehicle industry is a growing industry in our nation. The government takes initiatives to produce more e vehicles. The automobile companies are aim to produce e-vehicles and the government also ready for that practice. But the e-vehicle thought and interest must arise from every people, and then only more number of people buys the e-vehicles at the same time more number of sales will takes place that will lead to manufacture of more e-vehicles. So the society, company and the government can jointly work to implement the effective sustainability practices in transportation with the aid of e-vehicles that will protect the people and also to save the environment.

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## **Waste to Wealth (Circular Economy) Initiative in a Management Institute: The case of Thermocol (Polystyrene) recycling in Loyola Institute of Business Administration**

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### **Abstract**

Circular Economy approach is essential to promote sustainable economic wellbeing of the society. In this case, a team of faculty members from LIBA, in the General Management section, are presenting their experience in recycling thermocol. Furnitures made out of thermocol and carton boxes have been made as an effort to reuse the material (upcycling). Clay and glue have also been the outcomes from the downcycled material. The exercise is ongoing one and the work done so far is presented in this case.

“How wonderful it is that nobody needs to wait a single moment before starting to improve the world”. – Anne Frank

“We sleep well at night being assured that we have cut no tree in our pursuit of adopting zero waste lifestyle and aspiring Indian citizens to follow minimalistic living with sustainable practices”, says Nitin Chordia 2017, CEO of Kocoatrait India Ltd.

**Keywords:** *Circular Economy approach, Upcycling, Zero waste lifestyle, Sustainable practices, Petrol, Polystyrene, Acetone.*

### **Introduction**

Thermocol, technically known as Polystyrene, is a petroleum product that is popularly used in packaging. Thermocol does not biodegrade for hundreds of years, emit toxic gases on burning and release toxic chemicals in the soil. Thus, Thermocol is bad for environment. Yet thermocol production has not come down. Global production of the material stood at 15.61 Million MT in 2019 and it is forecasted to increase to 15.68 Million MT by 2024. The appetite for thermocol is unlikely to come down soon given the thrust for economic development and trade around the world. However, this need not come at a cost to the environment. Promoting ways and means to recycle thermocol can cut down on the negative impact on the environment.

## Problem Statement 1

### Recycling Thermocol

Polystyrene can take several forms. This case involves thermocol and not other forms of polystyrene (such as styrofoam). Thermocol is produced by heating Polystyrene beads to high temperatures. Heating expands the beads and the final product comprise 95 percent air rendering it highly suitable for packaging. However useful the material is, like most other petroleum products, thermocol is nondegradable. Burning it is no solution as it releases toxic chemicals into air. It also occupies a lot of space due to air. “As consumers, we have so much power to change the world by just being careful in what we buy” -Emma Watson.

### Proposed solution 1: Upcycling

Since the material has a life of hundreds of years, it may be a good idea to find ways to use it rather than discard it. Upcycling, also known as creative reuse, is the process of transforming waste into useful products. In this process waste is returned as wealth, a key aspect of Circular Economy approach.

Loyola Institution of Business Administration (LIBA), as part of the new building, has recently bought plenty of televisions, computers, and other electronic equipment. This left a lot of carton boxes and thermocol. The picture below is a fraction of the materials left after the equipment were installed.

Resources  
from  
Discarded  
materials

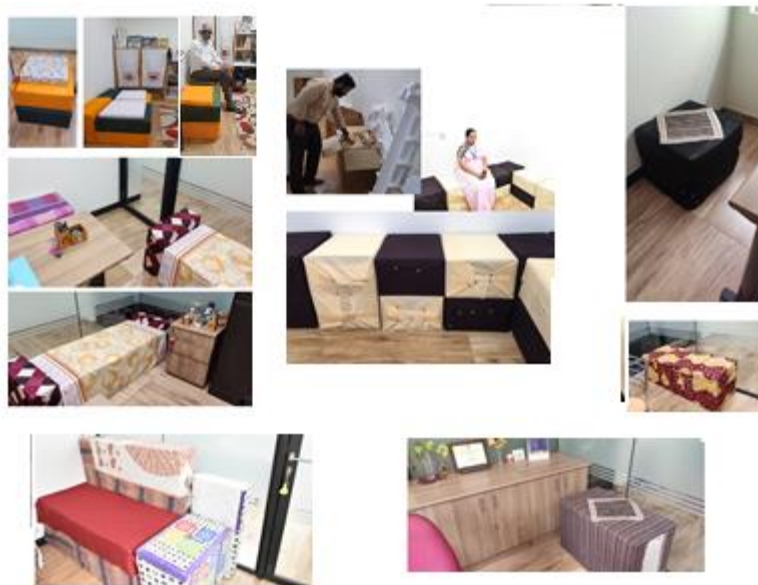


**Upcycling Thermocol into furniture:** Waste isn't waste until we waste it!! In the new building, in the faculty rooms, new worktables were provided. To add to the ambience, the first author creatively set his room with attractive, thematic, sturdy and comfortable seating

arrangements made out of carton boxes stuffed with thermocol. The process involved was the breaking of thermocol sheets into small lumps and filling them tightly in carton boxes. Then the sealed boxes were wrapped in lining cloth material.

### **Promoting the idea among colleagues**

The efforts of this research soon fetched great appreciations among colleagues. Many visited his room just to view the arrangement. A few even trial-tested the seats for its sturdiness and confirmed its durability. In a place where moisture can be kept under control, such thermocol made furniture would prove to be cost effective, weightless, portable and attractive alternative. Visiting colleagues surprised with the easy portable arrangement of the boxes of varied sizes and shapes which facilitated varied arrangements of the same materials. Many enquiries poured in from the like-minded colleagues to adopt the idea and replicate the same in their offices matching one's own requirements. As a result, a mini-sofa set with hand-rest, a diwan arrangement to engage visitors, an ice-cream sandwich themed L shaped arrangement were innovated thus, the entire bay has turned its ambience with sustainable furniture. All the materials were sourced from the discarded waste and was used creatively to match one's creativity.



Followed by informal visits by the Director and faculty, appreciation and support for the initiative, there were some mixed perceptions about sitting over carton boxes. With persistent interest from colleagues the process is still ongoing.

## Problem Statement 2

The support provided by the Director was essential for the faculty to adopt the idea in their rooms. However, there were mixed signals and lack of awareness among a few staff. As the old building needed to be handed over to the Society to which the premises belongs, pressure mounted to vacate the old building. The raw materials that were being used for the initiative, essentially waste thermocol and carton boxes, were being sold to a recycler. The greatest threat to our planet is the belief that someone else will save it.

A request mail was sent to the Director to procure such materials and safeguard them till such time they could be used constructively. However, since the old building was required to be handed over immediately, storage of these materials became an issue. The space required to keep the carton boxes and piles of thermocol was a huge constraint. The contractor who took the boxes left the thermocol as it did not have any market value. He claimed that the thermocol cannot be dumped anywhere in the city. The City Corporation officials would levy a fine on anyone seen discarding them. Hence the thermocol in huge quantity is still lying in the building.

### Pile of un-used thermocol



### Proposed solution 1: Need for Downcycling

Without carton boxes, furniture cannot be made. But there is plenty of thermocol left. To deal with it, the authors researched on ways to reuse thermocol. Downcycling thermocol is a practical option. Definitions of downcycling are varied representing the strength,

economic value and the ingredients of the resulting product. Downcycling in the case of thermocol, in the present case, leaves thermocol in the form of glue or white clay. The advantage in the method is the volume of the output is drastically reduced to a negligible fraction. In the method to form glue, petrol is used to dissolve thermocol. As much as 1000 cc of thermocol can be dissolved in a few ml of petrol. The outcome is a super glue that was effective.



On the other hand, Acetone, a common solvent used to remove nail polish, can be used to dissolve thermocol. The resultant is a slime that solidifies on heating. A simple hair drier will do the job. In 100 ml of Acetone as much as 13000 cc of thermocol can be dissolved.

### **Meeting the Expenses**

The cost of carrying out the upcycling was met by individual faculty members. It did not cost more than 1000 INR for anyone. However, the downcycling part was done by the General Management faculty from their personal contributions, who are also the authors of this case.

### **Student Involvement**

The idea is currently being promoted among the students and the outcome will be studied as part of future research.



## Clay Making!! From Thermocol



### Further areas to research

This initiative has thrown up many interesting questions for one to explore:

What is the impact of attitudes of the faculty towards using recycled thermocol for furniture?

In promoting the idea among colleagues, how personal relationships shape the outcome?

How can management involvement implement or influence such initiatives?

How to fund this initiative to make it bigger?

How to involve students in the initiative?

How to promote this idea to other institutions?

How to creatively use any further waste generated in the institution?

How to reduce waste in the institution?

To ascertain the cost benefit analysis in making the alternative furniture.

Recalling a few beautiful quotes on sustainability, “There is no such thing as ‘away’. When we throw anything away it must go somewhere. We cannot solve our problems with the same thinking we used when we created them. **Sustainability is no longer about doing less harm. It’s about doing more good.** The best way to predict the future is to create it. Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. If you don’t like the way the world is, you change it...one step at a time. We only get a handful of decades on earth, we’d rather spend that time doing good than perpetuating bad”, we hope to continue our efforts.

## Who moved my grocery, in 10 minutes? - A light on Indian dark stores

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### Abstract

The case explores the evolution of eCommerce into qCommerce (*q for quick*) in the context of post pandemic online grocery sector in India. The case enables students to revisit Hollander and McNair's hypothesis on the wheel of retailing in the era of machine learning, predictive analytics, and hyperlocal service using dark stores. *Research methodology:* The case is derived from secondary sources, including publicly available reports and information about various qCommerce platforms.

*Case synopsis:* The case begins with a brief introduction to the concept of dark stores and where does it fit in the machinery of qCommerce. Then we try to understand why Indian consumer are embracing this revolution in online delivery model. We then try to explore how this idea of dark store started during the pandemic lockdown by a start-up Zepto run by two Stanford dropout teenagers. We then try to understand what the big players in this sector are trying in order to mitigate this innovative disruption. We also highlight three specific problems related to human capital, sustainability, and consumer behaviour. We end this case by summarizing the lessons learnt from these problems, how to resolve them, and finally few recommendations on the projected future of hyper localization.

*Complexity academic level:* The case is written for management undergraduates enrolled in a service marketing or supply chain course. As the case focus on India, it could also be used in local entrepreneurship courses.

**Keywords:** *Dark Store, Q-Commerce, D2C Model, eGrocery, Hyper localization*

### Introduction

The Covid-19 pandemic has shaken the economies and the human race across the world, including India. However, it acted as a boon for eGrocery, where essential-focused e-commerce platforms could safely provide the services and products at-home. During the challenging Covid-19 lockdown period, Indian consumers organically resorted to ordering groceries online, led by the safe and hygienic purchase experience provided by different eGrocery platforms during these difficult times. During the period of April to June 2020,

the eGrocery market was able to reach 1.6x Gross merchandise value (GMV) of January 2020. Post the lockdown, the Grocery sector was able to sustain the surge for the remaining year and exited 2020 at almost 2x of January 2020 GMV.

Apart from the shift in consumer mindset, increase in adoption of online hyperlocals have significantly contributed to the eGrocery sector. Consumable market mainly consisted of three different consumer buying patterns - stock-up, top-up, and unplanned purchases. While legacy eCommerce and offline Kirana stores catered to stock-up and to a small extent top-up buying patterns, hyperlocal delivery specifically tried to address the unplanned purchases. As depicted in exhibit 1, such consumers prefer value and quick delivery and is not too much concerned about next big sale or discounts. For example, a work-from-home dad who needs to change the diaper of her new-born child but has run out of home supplies and is in midst of an important client call to spare even 10 minutes to the nearest offline Kirana store. This was the inflection point which gave rise to the concept of dark stores, a micro fulfilment warehouse that strategically stores around 2000 products depending on the unplanned purchasing pattern of the immediate neighbourhood.

## **Background**

On 24th March 2020, Prime Minister of India announced lockdown in whole country. Due to which Aadit and Kaivalya got stuck into a flat in Mumbai. If they ordered grocery from anywhere then delivery time was at least 2-3 days. This frustration gave birth to, "Kirana Kart". Its model was very simple. Because most of the people were locked in their house during covid and were unable to go out so Kirana kart would deliver groceries to such houses. While running Kirana kart, slowly a pattern was observed. They saw that whichever delivery got completed in 45 mins to 1 hour, repeat order of those customers were placed 20% of the times. But the deliveries that completed in 20-30 minutes, return order of those customers were placed 40% to 50% times. By regularly studying these patterns for a month, Aadit & Kaivalya discovered a lot of things about Indian consumer behaviour. And after that they shut down Kirana Kart and started *Zepto*. The namesake was inspired by the smallest unit of time measured (i.e.,  $10^{-21}$ ) by a group of German Scientist and published in the Science Magazine.

Other players like Big basket, Jio Mart, & even Amazon pantry had a common factor which is, "Disloyal customers". If we use Grofers, then there is a high chance that we will be using Big-Basket as well. In fact, we might be ordering our consumables someday from

Jio Mart as well. Now question arises that why customers of these companies are not loyal to them? So, the reason to this is a thing which is common in all these companies which is, "Proposition of discounting". Customers keep all the apps downloaded whether it is Swiggy, Jio Mart, or big basket. But placed order from where they are getting most discounts, as the time of deliver on these apps were almost similar that catered to top-up and stock-up purchase patterns.

Zepto, on the other hand concentrated on the convenience and speed, rather than the discounting aspect to create a disruptive niche of consumers. This was made possible by a network of hyperlocal delivery using dark store. As introduced earlier, dark stores are small functional spaces laid out like a supermarket or warehouses dedicated to fulfilling only direct-to-customer online orders. These places are small, often 3000 to 4000 square feet, and are fully automated. That is why they do not require even light to attract customers. Hence the name, dark stores. These stores are closed to the public except for picking off by delivery personnel.

Zepto uses three business strategies. As the first strategy, they study the buying pattern in whichever area Zepto enters. They observe what people want to buy and what is the buying frequency of people followed by the total spending power of the locality. As part of the second strategy, they carry out, "Location engineering". Whenever they enter a new area then they analyse the traffic routes followed by checking the real estate prices of that area. This helps them to estimate their average lead time even before they start delivering in that area. After doing these two things, third thing is a dark store, which is opened on a centralized location whose capacity is to serve all the customers within the radius of 3 kms. In a particular area, where Swiggy instamart delivers to the houses in 30 minutes, Zepto maintains a median time of 8 mins 47 seconds. Interesting thing is that the delivery boys of both companies take the same 6-7 mins from the respective dark stores. So why is there such a great difference in the delivery timing of both the companies? The answer to this is hidden in *PPB* formula. And success of dark store model is also due to this formula only. First P - Picking, which is very fast in all the stores of Zepto. In their dark stores, all the employees have tablets. As and when orders are placed it comes to central hub. From that hub the order reaches dark store. From there, it's given to the employees with the entire list of things with their rack position and shortest route between the layouts are reflected on their tablets using machine learning optimization algorithms. Then comes the second P - Packing, all the items are collected & packed quickly. And third B - Bagging, as the

delivery agent gets the order in hand agent needs to leave the warehouse. Zepto ensures that the lead time of all three activities - picking, packing & bagging should be 60 seconds. But the question arises that all these things can be done easily by Swiggy or Big basket as well. Then how will Zepto compete with these deep funded companies? This answer lies hidden in their third strategy whose name is, "Hyper focus". A thing is common in all these companies Swiggy, Big basket, and Jio Mart - They all compete on price. Where customers get most discounts, they like to order from there only. But Zepto is hyper focused on speed. In fact, customer acquisition strategy of Zepto is a lot different from the other companies. So how does Zepto acquire customers? To understand this, let us imagine we are ordering for the first time from Zepto. Firstly, as an idealist, most of us will oppose this idea and say why do we need a 10-minute grocery while thousands are dying due to lack of 10-minute service of blood or ambulance. But we still end up giving it a try as we will be promised a deep discount alongside first free delivery. After which whatever we order, that will be delivered in next 10 mins to our house. Now we forget the discount & we only remember the delight that our delivery was done in only 10 mins, and we boastfully start posting over social media and LinkedIn. So, to acquire and retain a customer, they would only have to cash-burn once or twice, to achieve the perpetual delightful state of receiving an order within 10 minutes.

In other words, by hyper focusing on the customer delight aspect, hyperlocal platform like Zepto is creating a psychological barrier of excellence which is much harder to overcome rather than an easily penetrable transactional barrier by other players who rely on high discounts.

### **Problem**

There are three major problems which Zepto might be facing in upcoming times. First problem will be the retainer strategy by deeply funded competitors. Companies like Swiggy, Big basket & Grofers have very strong retainers. Like instamart of Swiggy and BBDaily of Big basket. And if we talk of Grofers, then Grofers have already rebranded itself to BlinkIt and started executing the 10-minute delivery model in large scale (refer Exhibit 2 and 3). Acquiring & pulling customers will get more tougher for Zepto. Getting acquired by one of these old players also remains a high probability. Even with a \$100 million Series C fundraise, Zepto will face a cash crunch to retain customers as well as delivery boys who will constantly be poached by rival companies with higher salary jump

of up to 100%. Because all these older companies already have their strong retainers, second threat will be – Economies of scale. Because the daily sales volume of Swiggy, Big basket & BlinkIt is very high, they will be having more cash comparatively than Zepto. This gives the power of cash discounts to these companies, i.e., they have so much cash that they can purchase whole inventory on cash discounts. And as Zepto is a new player so its purchase capacity is less than these companies. That give rise to the third threat of “Price power maintenance”. Quick deliveries are very expensive & especially when there are no delivery charges. Running low prices & speed simultaneously is quite tough. And to be sustainable in such mode we need strong cash flow and of a lot of Venture Capital funding.

### **Lessons Learnt and Proposed Solution**

First lesson – Customers are loyal toward the value & not the brand. Any customer today is attached with the value provided by the brand instead of the brand itself. As customer is loyal to value provided by the brand instead of just the brand name, so that’s why continuously improving value proposition is the only option left for companies like Zepto to survive in market before it gets eventually acquired. Second lesson – Tapping the untapped. In every market, every sector, every business something is always left untapped. The logistics can be used for gifting, fast-fashion, or pharma industry. As Zepto was able to untapped the want of people from their impatience. And lastly, sustainable packaging can appeal to a lot of young generation consumers availing this service. A huge amount of redundant plastic and cardboards gets wasted in packaging smaller quantity of unplanned purchases. If the app provides points or badge for consumers who returns such packaging in their next visit that goes back to the dark stores for recycled use, customer stickiness can be increased with a sense of community.

### **Recommendations**

A dozen different ultra-fast delivery companies at some stage will go under or be acquired by their rivals. Finally and perhaps most significantly will the growth trend survive beyond lockdowns? When people are working from home, they can place dark store orders throughout the day but if they return to the office and orders become concentrated in the evenings the business case may not add up as readily. Besides it’s easier for commuters to pop into the corner store on their way home. It’s pretty clear however the dark stores are here to stay. The irony is that if everyone decides it’s an attractive business, supermarkets

and venture capitalists alike will continue to pile into the space and the ensuing price war will mean it ceases to be an attractive business. It'll be good for the consumer, but our local Kirana might find that its lunch is being eaten by someone else.

As Hollander (1960) argues whether the hypothesis of wheel of retailing, coined by McNair, is applicable to all retail areas, where the retail grows, matures, and dies due to a new entrant, we see that in this era of machine learning and predictive analytics, the wheel of retailing is not only valid, but adoption of technology squeezes up the lifetime of this wheel. In simple words, during the older times of lesser developed technology, if a retail concept aged in “man-years”, now a retail concept ages in “dog-years”. With the advent of more sophisticated technology, it can be hypothesized that life cycle of newer retail concepts, although more disruptive, will become much smaller.

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## Exhibits



Exhibit 1: Transition of 1<sup>st</sup> Generation Commerce to 3<sup>rd</sup> Generation Q-Commerce

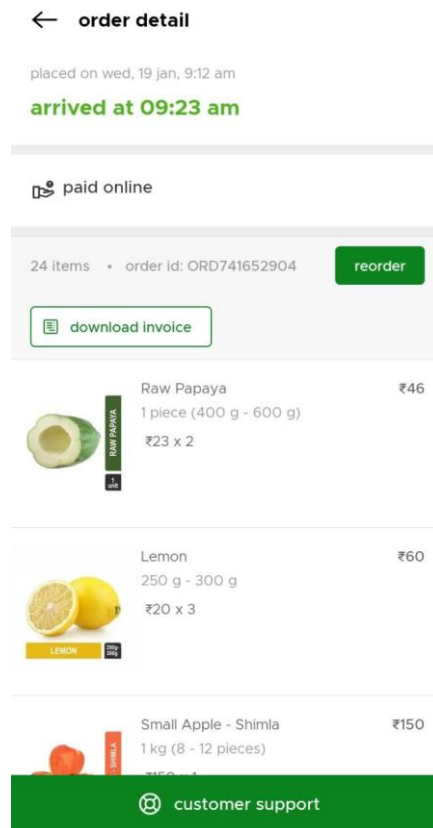


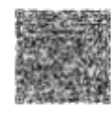
Exhibit 2: Order placed and Arrival time on BlinkIt



Tax Invoice / Bill Of Supply										
Super Store Kolkata Khardaha ES29 PR (LT)					Order Id : 148987191					
Loveeey Trading India Pvt Ltd, 11, MS Mukherjee Rd, Jole Doba Para, Khardaha, Kolkata, West Bengal 700116					Invoice No. : CKL2397721003663					
Kolkata					Date : 19-Jan-2022					
Pin code : 700116					CIN No. : U74999DL2017FTC317006					
GST Tin : 19A4DCL3060D1ZT					PAN No. : AADCL3060D					
FSSAI : 10019011006506					Place of Supply : West Bengal					
Invoice To					Invoice To					
Name : Mayukh Mukhopadhyay					Name : Mayukh Mukhopadhyay					
Address : E3 shree kunj					Address : E3 shree kunj					
2/1 Panchanantala Road Sukchar					2/1 Panchanantala Road Sukchar					
Kolkata					Kolkata					
West Bengal (WB)					West Bengal (WB)					
Sr. no	Item Code	Description	Qty.	Mrp.	Unit Price (Excluding tax)	Sub Total (Excluding tax)	GST (%)	Cess (%)	Additonal Cess Val	Net Amount (including tax)
1	10078554	Raw Papaya (HSN-07961000)   1 unit (400 g - 600 g)	2	23.00	23.00	46.00	0.0	0.0	0.00	46.00
2	10075659	Lemon (HSN-07961000)   250g - 300g	3	20.00	20.00	60.00	0.0	0.0	0.00	60.00
3	10067919	Small Apple - Shimla (HSN-21069011)   1 kg (8-12 units)	1	150.00	150.00	150.00	0.0	0.0	0.00	150.00
4	10064613	Moreish Brown Bread (HSN-19059040)   400 g	1	30.00	30.00	30.00	0.0	0.0	0.00	30.00
5	10061351	Spring Onion (HSN-07070000)   1 unit (150-200 g)	1	11.00	11.00	11.00	0.0	0.0	0.00	11.00
6	10042667	Croffers Mothers Choice Bay (HSN-09109100)   50 g	1	30.00	23.81	23.81	5.0	0.0	0.00	25.00
7	1001515	Red Carrot	1	25.00	25.00	25.00	0.0	0.0	0.00	25.00

Exhibit 3: Tax Invoice of BlinkIt - Dark Store pin code is very close to Consumer pin code

0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	10014187	Cabbage (HSN-07941000)   1 unit (400-600 g)	2	19.00	19.00	19.00	0.0	0.0	0.00	19.00										
9	10013450	Cauliflower (HSN-07941000)   1 unit (300-500 g)	2	25.00	25.00	25.00	0.0	0.0	0.00	25.00										
10	10003982	Raw Banana (Plantains) (HSN-08031010)   6 units	1	30.00	30.00	30.00	0.0	0.0	0.00	30.00										
11	10002243	French Beans (HSN-07981000)   250 g	1	14.00	14.00	14.00	0.0	0.0	0.00	14.00										
12	10002252	Green Peas (HSN-07091000)   250 g	5	14.00	14.00	70.00	0.0	0.0	0.00	70.00										
13	10003972	Coriander Bunch (HSN-06011000)   1 unit (100 g)	1	9.00	9.00	9.00	0.0	0.0	0.00	9.00										
14	10002249	Green Capsicum (HSN-07070000)   250 g	2	30.00	30.00	60.00	0.0	0.0	0.00	60.00										
<b>Sub Total (excluding tax) 616.80</b> <b>Tax Total (Inclusive of cess) 1.20</b> <b>Total Payable(Including tax) 618.00</b>  CGST = 593.00 * 0.0% = 0.00, 23.81 * 2.5% = 0.60, Total CGST = 0.60 SGST = 593.00 * 0.0% = 0.00, 23.81 * 2.5% = 0.60, Total SGST = 0.60 CESS = 616.81 * 0.0% = 0.00, Total CESS = 0.00																				



This is a computer generated Invoice and Signature is not required

## **The Journey of an NGO - Smyrna**

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### **Abstract**

The case study of Smyrna Fellowship Trust describes the initial growth of the organization. The case emphasizes the development of the organization from one person's effort in the hills of Ooty and drives towards its expansion all around the regions of Nilgiris. It outlines various methods by which the organization gained support for its purposeful operations. The case study then indicates the obstacle faced by the organization in terms of raising funds and the problem of unreachability due to the Covid-19 pandemic. We have outlined specific solutions regarding the problem faced by the trust. The solutions are mainly categorized into three major aspects, namely self-sustaining ecosystem (which the organization has implemented and has produced good results), promotional measures, and the management change. These categories consist of various methods by which the solution can be derived for the problem mentioned in the case study. The case study will help you to understand the challenges and opportunities faced by an NGO and how one can establish a system to overcome the barriers effectively.

### **Introduction**

Smyrna Fellowship Trust is a well-established Non-Governmental Organization (NGO) dedicated to helping the families and children of the under-privileged and it also aids the people who have been affected by natural calamities. This Trust was founded in 1983 by Mrs. Margit Stefansson, from Sweden, whose efforts were monumental in helping the poor and the destitute of the Nilgiris. She provided shelter, food, job opportunities and education to the families and children. As a result, many families have been able to enjoy happy and fulfilling lives. Smyrna has been able to benefit around 10,000 children to attend schools and colleges on a "year on year" basis. Overall, Smyrna has benefitted more than 20,000 people to meet their basic requirements. These children come from single parent families, children staying with grandparents, children of deceased parents or orphans who have been staying with their guardians. The organization provides educational, medical and basic amenities to help sponsored children. Smyrna also provides shelter and employment to adults who are in need. The Trust is well equipped in the regions of Ooty,

Kandal, Finger Post, Kotagiri, Coonoor, Mettupalayam, Moyar, Masinagudi, Pillur Dam, Ponnani, Babusa Lane, Muthorai, Money Lodge and Kullisollai, among others. Smyrna Fellowship Trust have also been very active with supporting the Covid -19 affected families helping them with provisions, vaccinations, house repair and in some cases building of homes. The social projects initiated by Smyrna, provide housing for the homeless, house repair, water connection, electricity and sanitation to many. They also provide readily built toilets in schools and to the homes of our sponsored children.

Smyrna has also taken up many projects from the past which cater to the needs of the under-privileged and also to create a self-sustaining ecosystem. Among their other important projects, their “New World Centre” project- where they provide treatment for physically and mentally challenged children and adults in the rehabilitation centre is to be specifically emphasized. ‘New World’ is an extension of Smyrna Fellowship Trust for rehabilitation and one of the most fully equipped centers in the District of Nilgiris. The centre functions mostly for the poor and down-trodden people. The centre is dedicated to improving the health, quality of life and to aid in reducing the pain with most advanced equipment. The centre specializes in physical rehabilitation of people who suffer from disabilities and pain. It concentrates mostly on neurological issues along with people facing Cardiac and Orthopedic difficulties. The centre was first started for the differently abled children who were locked up in the roofs of the houses as the parents had to go out to work for safety reasons. As a result, the children became depressed and many of them were not trained to use their motor skills and were dependent for most of their basic needs. On average 40 patients are treated every year. The centre spends Rs1000 per patient for food, treatment and transport.

The Trust also provides educational support to help the young patients to cope up and become independent. Not only that, but they also give vocational training to help them. They also provide help for surgeries and post-surgery rehabilitation and are spending more than Rs.14,000 per month for the supply of free medicines to support the needy. Their old age home “Smyrna Shelter”, where they house the elderly who have no place to stay and provide provisions to more than 50 elderly women who are abandoned by their families in Ooty and regions in and around, and beyond.

## Background

Mrs. Margit with her family moved to India in 1983 owing to the ethnic war that broke out on the island. Called to serve the poor in wider horizons they arrived in Tamil Nadu situated in South India and made their home in a small hill town, Ootacamund. Here they found several needy people who were in need and found so many children wandering around the streets without going to schools. These were some of the very first people that Mrs. Margit helped. Along with this work she thought of helping these poor children in their education to change their lives and with that



notion Smyrna Home was born and was evidently run by Smyrna Fellowship Trust, India. She also helped the destitute widows in training them in knitting centres, confectionary and bakery items. She also started a school for the underprivileged children who were going through financial hardships and also for the ones who were unable to attend school due to natural and unnatural reasons. She wrote to some of her friends about her prevailing situation of the needy people.

One of her friends Lars Jormeous helped her to buy St. Patrick's building along with 6.5 acre of land, So the activities shifted to this campus which coined the title "Smyrna Home", The work she had done for the lepers had begun as the "NEW WORLD CENTRE" for the mentally and physically challenged. This became a registered public Trust on premises of six and half acres campus at 11 RK Puram, Bishop's Down, at Ootacamund. Now the organisation focuses on uplifting the lives of poor and needy turned into children in the Nilgiris district. The prime concern of the trust is to give these children a solid foundation and a good start to their lives. Therefore, the trust undertakes to sponsor their educational expenses, thereby helping their families too. All donations to Smyrna are exempted from income tax under clause 80G of the Indian Government. Smyrna Guest House, set up by a British couple, is a refurbished colonial property set on a quiet hilltop, half a mile from the Ooty bus & train stations. Income generated from the guest house will be given to

Smyrna Fellowship Trust. In this way, Smyrna attempts to raise funds using their assets which were bought by the early founder of the organization. There is ample space on the land to conduct events and functions with the consideration of the Trust.

### **Problems**

The prominent source of financial support is from Mrs. Margit and her friends. The funds for the Trust were done through people who were mainly residing in the countries of the UK, US, Sweden and Germany. Although there were Indian sponsors, they were less in number when compared to the foreign sponsors. Each family or an individual who sponsored were called as sponsor parents to the particular child or the group of children whom they were sponsoring. The growth of the sponsors was at its peak between the years of 2010 to 2015. As the years went by i.e. from 2016 onwards, the organization noticed a gradual drop in the number of existing sponsors. Not only was there a reduction in the existing sponsors but also there was a difficulty for the organisation to find new sponsors abroad.

Not only did the Covid-19 pandemic lead to a fall in the world economy, but it also brought a sudden drop in the number of sponsors to almost all the NGOs. During this period people had to face many restrictions in their day to day life. The closure of industries, factories and commercial establishments made a huge impact on people's income as well as their expenses. People had to plan their funds with the closed-fists before spending their earnings. Due to the lockdown, not only the employees but also employers of well established companies had to incur huge losses. These circumstances are not favourable for the business organisation or common people to give donations to the NGOs. As a result, Smyrna trust had to face shortage of funds which limited their activities and projects. Due to the pandemic, there was a steep decline in the number of tourists visiting Ooty, due to there was a slack in the bookings of Smyrna guesthouse. This ultimately resulted in the shortage of funds.

### **Proposed solution**

Being an NGO, the organisation has to raise funds for helping people who are in need, by providing them with the basic necessities, and also to develop a suitable environment for the trust to function and withhold the people. Creating a suitable environment, the organisation spends for essential facilities such as water supply, electricity, etc. Here, the organisation took a leap by using renewable resources to cater the needs of developing a

self-sustainable environment.

### *Developing a self-sustaining ecosystem*

After realizing that the trust would be able to serve itself by using renewable resources, Smyrna created an ecosystem where every building is connected to solar systems which provides lighting to the campus. To cater the needs of water, Smyrna came up with an idea to build a 50,000 litre water tank to store rainwater. Not only this, but the Trust also took an initiative to utilise their land and decided to have a garden which provides organic fruits and vegetables. The water stored in the tanks was later used to irrigate the garden and support the organic farming projects in the campus. The Smyrna property is now a home to a number of old, rare species of trees.



They also generate their own funds by selling their organic vegetables and fruits produced in their gardens. Smyrna generates a reasonable income by selling tree saplings. Not only this, but the trust planted an organic tea garden and the leaves were sold in bulk to the tea factories. Building a chicken coop was another intelligent move done by the managing trustee, Mr. Samuel Prabhakar, which also gave good results. The Trust also has its own bakery (initiated by Mrs. Margit), canteen and a grocery store. The proceeds were entirely used for the upbringing of Smyrna.

There was an initiative taken by the members of the trust to raise funds by making handmade and recyclable products like envelopes, greeting cards, photo albums, keychains, coasters, etc. Not only these but they also started knitting and produced clothes such as caps, sweaters and mufflers. Smyrna guesthouse was another way of giving rise to funds. In this way, the Trust developed a way to provide for themselves the necessities, by means of using their land and the members of the organisation effectively.

### **Recommendations**

Despite the organisation's effort to create a self-sustaining ecosystem, there are specific

ways through which the trust would make better financial yield. Now, behind the problems faced by the trust, the organisation's underlying reasons, which if dealt effectively, can lead to a proper flow of funds for the Trust to carry on its functions effectively. The two segments where the organisation could improvise to drive in more financial support are:

#### *Promotional Measures*

There would be an increase in the graph of sponsors only when people and organisations get to know about the Trust. For this to happen, the management must implement effective promotional strategies to increase the visibility of the Trust. This can be achieved through many ways. One of the methods would be using their products and services as a means to increase the visibility of their organisation. The sponsors could be provided with souvenirs such as T-shirts, keychains, fridge magnets with the imprint of the logo of Smyrna which acts as a sign of gratitude.

One of the main sources of revenue for the Trust is the Smyrna Homestay. There can be a way of generating income by providing coupons for their stay at the guest house. And the people who sponsored for the children were given an offer of a discount of 20% if they choose to use the homestay amenity available by Smyrna. Hence, this action drives in more sponsors through existing sponsors. Creating awareness is a part of the organisation to make more sponsors. Giving away special discounts for people of the IT Industry, schools and institutions as a gratitude for their donation would help Smyrna to get more attention towards itself. They can make improvisations for other people to shop things like- strawberries, chocolates, artworks that are made and cultivated by the people in Smyrna to be sold physically in their store and also reach out to a lot of other people through an online website.

As we know the organisations are facing the problem of finding new sponsors and also the earlier sponsors are getting old, to solve this issue we can create a connection between the sponsors' families, relatives and the organisations. This can be done by having meetings, cultural events, conducted by the organisations by inviting the earlier sponsored families, their children, their relatives which can be conducted quarterly, half yearly or annually. This will make sure the upcoming generation is aware about the organisation and also the kind of help they have been doing for the society. Online campaigns can help Smyrna to raise the funds they are in need of. Smyrna can run ads on social media platforms with the title "Adopt a child" which includes the story of a

child. It inspires the audience to adopt a child and to bear all the expenses of the child. A good story of the cause can be included and a minimal donation can be asked for. For instance-“You can be a parent to this orphan child just by donating Rs. 500 per month”.

By approaching the CSR (Corporate Social Responsibility) cell along with the causal proposal of the Trust. Any large corporation has a separate team which is responsible to handle at least 2% CSR Funds of the company's net profit. Donations to NGOs provide tax exemption to companies thus this opportunity can be used to obtain some financial help. Anyhow, corporates consider this as a win-win due to the presence of Section 80G of the Income Tax Act which states sponsors (Individuals/ Corporates/ Any donor) get 50% income tax exemptions under the section.

### *Management Change*

There has been a stigma associated when it comes to an NGO, stating that the majority of funds is being utilised by the management for their personal benefits rather than utilising it for the progression of the NGO. This Stigma creates an aversion for people while sponsoring for an NGO. To tackle this, the trust can emerge to be financially transparent. When people can actually see where their donations are going, they will be assured knowing that their funds are being used for the right purpose, provided the organisation uses it effectively. This method is absent in most of the NGOs which actually dilutes the purpose with which the organisation initially started. The impact of Covid-19 has been devastating, which eventually makes us suspect the uncertainties of what the future holds. This concern must be reflected in the precautions we take for the protection of the organisation. One way of guarding the safety of the NGO can be, having a sufficient amount of reserve fund. This allocation of funds will help the NGO to face the uncertainty that unfolds in the days to come. There has been a debate as to how much reserves an NGO should have. This clearly depends on the capacity and the scope of the organisation.

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## **CASE STUDY: INDIAN EDTECH INDUSTRY GROWTH AND CHALLENGES DURING COVID 19.**

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### **Abstract**

This case study is geared toward exploring the growth of the EdTech industry, which has delivered new and rising trends within the subject of education, especially Online learning has been created clearly through imaged, amped videotape, and audio classes for grades 4th to 12<sup>th</sup> Class, in particular for mathematics and understanding subjects. It conjointly extends its guides for CAT, JEE, NEET, and online diploma courses for college students. This paper explores various private companies that are contributing to the education sector with the help of technology. Also, various innovative ways are used in the education sector. This paper shows the highlight of the event of EdTech start-ups through pandemic and recommendation and. Finally, it discusses the challenges faced by the teachers and the students in the e-learning process.

*Keywords: Edtech, Startup, Covid-19, Edtech market growth.*

### **Introduction:**

Edtech's Indian journey started in 2004 with the emergence of satellite education and smart classrooms. 2008 saw the begin of online getting to know, with players like Extramarks Khan Academy venturing into offering online schooling (Investopedia 2020). "Internet, mobile technologies and devices, big data analytics, artificial intelligence, digitally delivered services and applications" - are evolving the production and marketing of Ed technology in a modern way, EdtechStartup, established in India in 2011, as an online market that allows parents to seek and find tutors of trust, trained and experienced in their region (Kellow, 2018). It aims to make parents "easier to live by providing safe and efficient educational services. The company has 45 employees and operates mainly in the main major metropolitan areas of India: North India and South India . The company has more than 2,000 profiles of trained and reliable and reliable tutors who have been verified and have received assessments and reviews of previous clients. Based on the tutor's appropriate

location, age group, experience, and language, parents get to choose from this wide range of profiles(Sullivan et al., 2019)."The goal of society is to create experiences that promote children's growth and development and provide a safe environment for children and the team of instructors similar to a domestic environment. "EdtechStartup" has demonstrated its potential as a successful application with significant growth (300%) in the number of paying customers in 2019 after Venture algebra has invested \$ 500,000 in their mobile application. The Indian Ed-Tech industry achieved this success by deploying simple technological tools to take advantage of the sciences of technology on marketing and capitalization of its knowledge of its customers. As per the recent population census survey, nearly 580 million Indians are between 5-24 years of age, with about 250 million currently enrolled in schools. The nationwide pandemic arising from the rapid spread of COVID-19 has been one of the most significant challenges to education in a long time. In March of 2020, essentially all education in the United States moved to be entirely online.This means that about 36 percent of India's population is young and learning.That's a massive market for the education sector to leverage and grow. Like any other sector, the education sector has also seen an online transformation post COVID(Amiel & Reeves, 2008). However, by 2026 the online education industry will grow by 11.6 billion. This proves that the EdTech revolution is not a temporary adjustment but a permanent solution. Choosing a successful enterprise version inside the conditions of growing competition, the growth of central international startups, accelerating technological improvement, and converting users' habits turns into even extra applicable (Tauson & Stannard, 2018). All around the globe, the schooling sector is considered using buyers to be one of the most appealing and promising for business. Compared to other IT industry regions, the web education market is at an early stage of its improvement. It occupies less than 4% of the total educational marketplace, collectively with the diagnosed.

## **RESEARCH METHODOLOGY**

The present study has adopted the explanatory and descriptive research method by using secondary data from various relevant published sources in the industry. We have gone through several interview videos and webinar contents from the EdTech industry published/broadcast in different social media and content platforms to derive insights into our study.

## **Background Of Ed Tech Development Software, Customer Knowledge Management For Effective CRM In Ed Tech Starts Up:**

An "Ed-Tech Startup" uses multiple tools and systems to keep track of customer knowledge and improve CRM effectiveness. Zoho CRM is one of these tools, which gathers customer feedback and identifies problems or complaints. It's very important in the management of complaints. Mix Panel was mainly used to track customers' transactions and interactions through the mobile website and the mobile application and to analyze the customers (Zailani, 2016). Zoho CRM was used to convert leads, boost sales, increase customer acquisition, and effectively manage customer information. By using survey forms and in-app tests, these data are then used to build customized reports and measure customer engagement.

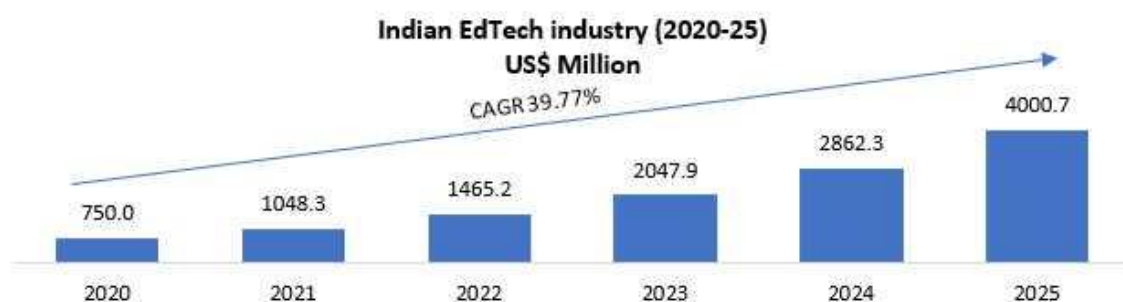
"India" uses Mix Panel primarily for offer management, lead management, and campaign management. In addition, Tableau was used for data visualization to provide easy and fast access to data. "Indian" used it for data analysis and translating this data into an understandable format in the form of worksheets and dashboards (Renz et al., 2020).

Separated information was then saved and divided among various offices in Google sheets and records on Google Drive. For "India," Google Dashboards was a satisfactory device to help dealing with the business processes between different offices and overseeing input and worries from clients. To assist with bettering CRM, Slack was utilized for simple and smooth inward correspondence among divisions and to share client information. Besides, just a single data framework was utilized in Google sheets and records on Google Drive. Both incorporate the outcomes and reports extricated from the recently referenced IT devices, divided among all divisions, and effectively got to. This data framework works with the information stream between various divisions and speeds up their work, prompting a viable CRM process. Information mining and information investigation are reasonable KM procedures that help the KM cycle for workers and give the CRM processes exact, clear, and coordinated reports and diagrams. In this way, "India" use of logical devices, for example, Blend Board and Scene help in following got demands (Offer administration), transformation rate (Lead the executives), customers' commitment and criticism (Mission the board) (World Bank Group, 2020). Through information mining they accumulate the customers' input and audits on the application to remain fair and square of fulfilment for every particular assistance and make prompt therapeutic moves. Additionally, those KM

strategies assist the representatives with get-together coordinated data and experiences from the customers' exchange history, so their client information is improved and met satisfactorily. The devices empower the information investigation cycle and improve the CKM, coming to a viable CRM that keeps up with long term associations with clients.

### Overview - Indian EdTech Industry:

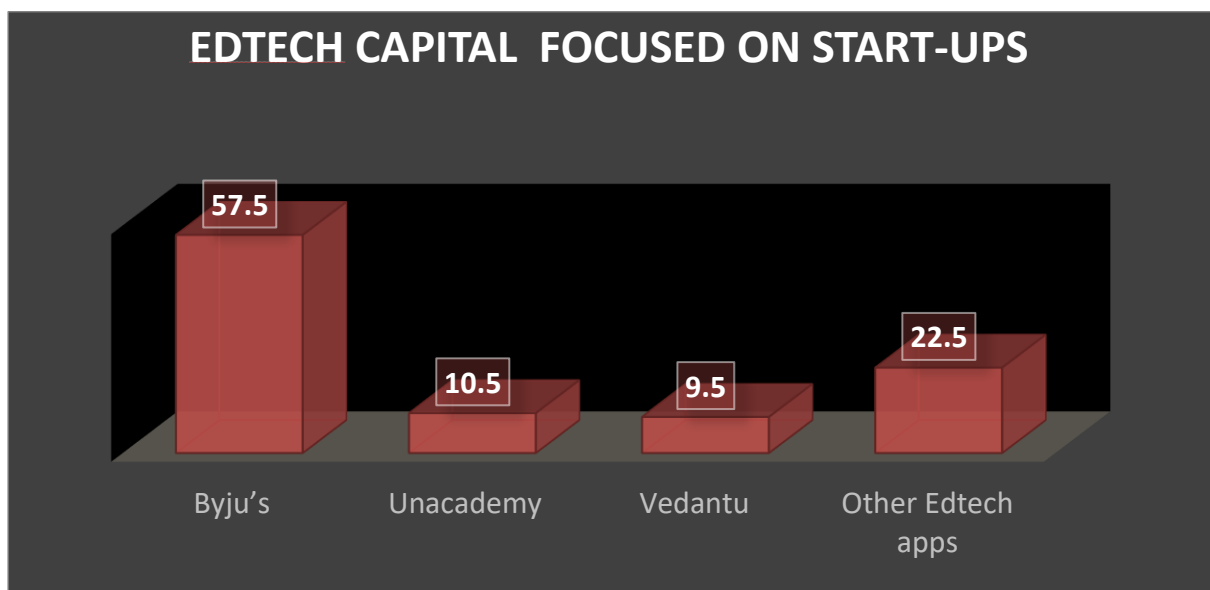
The Indian EdTech industry was esteemed at US\$ 750 million out of 2020 and is relied upon to arrive at US\$ 4 billion by 2025 at a CAGR of 39.77% (Cukurova et al., 2019). This development is driven by the rising interest in non-scholarly courses from level II and III urban communities and the requirement for personalization in the EdTech space. Out of the projected market worth of US\$ 4 billion, US\$ 1.5 billion will zero in on K-12 (Kindergarten to Class 12), after-school central, and pre-preparational courses.



### Edtech Capital Focused On Start-Ups

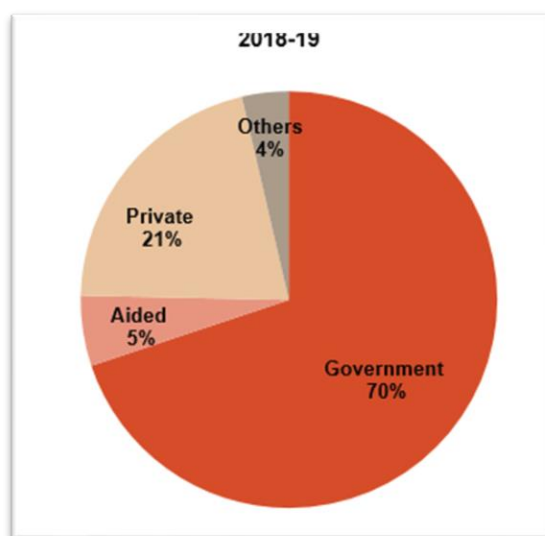
Indian EdTech startup raised over \$1.43 billion in 100 deals in 2020. The disruption caused by the COVID-19 pandemic and subsequent closures has forced both parents and educational institutions to implement learning technology solutions, making EdTech the most funded sector in the country. Byju took the top spot with 57% of the total funds raised, followed by Unacademy (10.5%) and Vedantu (9.5%).

Since 2020, four EdTech startups in India have turned into unicorns (Unacademy, UpGrad, Eruditus, Vedantu), and one has turned into Tenhorn (Byju's). A unicorn is a company with an enterprise value of more than \$1 billion and a deacon enterprise value of more than \$10 billion.



**Private participation changing the 'course' of higher education too**

Demand for institutions providing higher education has been growing rapidly. However, as public institutions are falling short of demand, private sector participation in this segment has increased considerably over the years. Change in ownership composition of higher education institution



*Source: MHRD*

Essentially, it is assessed that more than 90% of the 4,500-5,000 business colleges are overseen by the private area. The rise of private establishments varies among states, contingent on the express government's support. Henceforth, the portion of private

establishments in this section goes from almost 100 percent in certain states to 25% in others.

Going ahead, notwithstanding the conventional instruction fragment, interest for casual training and auxiliary portions additionally present critical learning experiences. Private players working either in one or a blend of these sections will become quicker.

**Government drives driving the Indian EdTech industry:**

The Indian EdTech industry is relied upon to be more strategy well disposed of in the impending long time because of rising government interest. The Public Schooling Strategy 2020 accentuated the significance of utilizing innovation in training arrangements and upheld inclining content in local dialects, calling it a high need.

**Post Covid-19 Influence On The Edtech Market:** As increase in the region is probably to say no within the destiny, the variety of users might not drop as they have got already invested in virtual tools which includes smartphones or laptops to get right of entry to on-line learning courses. In a Forbes India article in 2021, Arjun Mohan, CEO of the upgrade, India, said, “COVID-19 allowed the tech area to provider clients who had by no means used such structures before. If their experience changed into true, they stick on.”

**Problem:**

What are the most common educational technology challenges faced by most startups? Change resistance Education is the oldest field that has been stationary for a long time. On the other hand, the field is enthusiastic about innovation and upgrades, striving to ensure that teachers and students enjoy the learning process. On the other hand, there is also resistance from the government and teachers. Many schools and universities are skeptical of the technology.

**Proposed Solution:** To successfully deliver an educational technology solution, you need to know and understand the industries from A to Z. To communicate the importance of technology adoption to hesitant decision-makers, education technology start-ups need to be aware of all the issues in the sector, including teachers, non-education staff, students, and educators... The main goal of Indian education start-ups are to demonstrate the actual value of a service or product. What problems will be solved, what kind of support will be provided, how cost-effective will be improved and costs will be reduced, and how will it

affect the learning process? Change is always tricky, but pioneers will benefit more than others.

### **Recommendations:**

Poor advanced framework is the vital test in India for increasing dynamic utilization of innovation in training. Just 8% of Indian families with youthful individuals have both a PC and a web association. Regardless of whether there is access, given the expense related with Edtech items, it is hard for lower and lower-center pay families to bear the monetary weight. Tragically, there is no significant monetary designation from government on reinforcing the computerized base.

On the inventory side, insufficient confirmations are accessible with regards to the results asserted by Edtech new businesses. The presentation of Edtech organizations is assessed to a great extent from statistical surveying and the quantity of clients, rather than any approval of instructive results. Furthermore, the internet based schooling being conferred by the ed-tech firms miss a quality check. The substance presented by numerous individuals of them are either not instructively sound or not setting explicit. Absence of reasonable vernacular substance additionally restricts clients.

Without making a helpful learning environment, the drive for Edtech is by all accounts ideal for a specific segment of understudies approaching, moderateness and adaptability in picking choices. The expanded arrangement consideration towards dynamic utilization of innovation in training, and simultaneously dreary strategy reaction towards existing computerized separation may move the objective of 'all inclusive admittance to schooling' further.

**Conclusion:** The Education sector is booming across the world. Many changes took place in the education sector even before the pandemic. The problem arises where the education industry has to go along whatever the condition. So it triggered all the companies in association with the education sector to speed up the process. Many challenges are faced by the teachers and the students while implementing online education. Still, considering the future scenario, everyone involved in the education sector will understand and try to adapt to the new education system with the help of technology.

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# TRANSFORMATION OF INDIAN RETAIL LANDSCAPE AND THE WAY-FORWARD

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## ABSTRACT

### Learning outcomes

Analysing the potential strategies that various types of retailers throughout the Indian retail industry might employ to endure the evolution of India's retailing business.

### Case overview/synopsis

This case provides an overview of India's retailing landscape. Currently, Amazon and Flipkart dominate the e-commerce sector with new tactics and innovation; however, with the prospective entry of Reliance Retail in the e-commerce arena, the Indian retail industry is projected to experience major transformation. The case brings out the strategies that can be adopted by Amazon, Reliance Retail, Flipkart, traditional retailers, and any new entrant to survive in the evolving competition in the Indian retail sector. Multiple waves of Covid-19 pandemic and lockdowns have already hammered India's traditional brick and mortar retail stores, and the shift to e-retailing will add to their burden. This case study provides promising opportunities for brick and mortar stores to survive future renovations and continue to be a major force in the Indian retail sector.

## INTRODUCTION:

E-commerce is the fastest-growing channel, with a one-trillion-dollar expansion forecasted by 2025. (Forbes, 2021) Amidst COVID-19 challenges India's e-commerce market has increased by 5%, with sales valued at US\$ 56.6 billion in 2021 (NASSCOM) Among the e-retailing firms in India Amazon and Flipkart dominate the Indian market. Jeff Bezos, a computer science and electrical engineering graduate and investment banker by profession, founded Amazon, the global e-commerce colossus, in 1994. Following his resignation as an investment banker, Bezos founded Amazon, which began as an online bookseller and diversified into different operations and has now expanded to become the world's most successful online store (Majed et al., 2018) Amazon retails a wide variety of products

across multiple consumer segments at competitive prices (Jindal et al., 2021) Amazon entered the Indian market in 2012 through Junglee.com, one of its subsidiaries. Amazon was faced with challenges and promising opportunities in the Indian market. With a billion people, India had the highest population of young people under 35 years of age, as well as experiencing an increase in the standard of living post the globalization of the market. The use of cell phones among the Indian population was constantly improving as a result of the wider range of phones available at various price levels. In the early days of their entry to the Indian market, Amazon faced numerous challenges, including the fact that 67 percent of the population lived in rural areas and only around 35 percent of the population had access to the Internet. In addition, India had a strict FDI policy that prohibited foreign multi-brand retailers from selling directly to customers (Harvard Business Review, 2016). Amazon employed a marketplace model for their retailing business, in which third-party retailers ship their products to Amazon's warehouse and Amazon delivers them to customers (BBC,2013) Think Globally, Act Locally has always been a key component of Amazon's Indian strategy. It had tailored its services depending upon the needs of Indian customers. Amazon has deployed certain exclusive strategies like motorbike delivery centers, cash-on-delivery payment options, Kirana Now (to bring local businesses online), Amazon pickup (chosen pickup places for package delivery) along with other innovations for the Indian market. (Fortune Magazine, 2015) Amazon has invested its time and cost in R&D to better understand its clients and developed a slimmed-down version of its app to meet slower network rates in India. (Forbes,2018) As a reward for all its efforts, Amazon has risen to a peak of glory in India within a short period, destroying its competitors. The recent development in E-retailing is the potential entry of Reliance Retail in the competitive market. Reliance Industries is a retail powerhouse attempting to dethrone Amazon in India. It is India's most profitable firm and the country's tenth-largest employer. Reliance Industries Limited is a conglomerate corporation founded by Dhirubhai Ambani in 1973. Energy, petrochemicals, natural gas, retail, telecommunications, mass media, and textiles are among their businesses. This case study aims to evaluate Amazon's current challenges in India and how they might remain competitive in the Indian market. Also highlighted in detail are the techniques that other Indian stalwarts, such as Reliance, Flipkart, and Dmart, may employ to up their businesses to the next level and gain a significant share in the \$200 billion Indian e-retail industry by leveraging on supply chain management. Furthermore, the emergence of e-retail shops poses a challenge to India's traditional brick-and-mortar stores. This case study tries to highlight the strategies that support traditional retailers can

employ to stay competitive in the Indian retail market. Because most of the retailers in this study are multi-brand retailers and the operations and economies of multi-brand retailers are significantly different compared to single-brand retailers this case study emphasizes only multi-brand retailers.

## **BACKGROUND**

### **E-retailing landscape in India:**

Post the launch of the World Wide Web the application of the internet among the public began to increase at an exponential phase. With a majority of the population under the age of 35 years, India was very much on track to capitalise on the internet revolution during the post-globalisation era. Despite the globalisation and the move towards internet culture in India, not all the early e-retailing start-ups were successful in the country, close to 90% of e-commerce start-ups fail within the first 120 days a total of 1,253 owners participated in this study and 37% agree that competition in the market is the predominant factor for their failure (Skeldon. P, 2019). The e-retailing market in India has been steadily growing since 2011, and by 2026 the Gross Merchandise Value (GMV) of the e-commerce industry in India is estimated to be \$100 to 140 billion. The effect of nationwide lockdown due to the Covid-19 outbreak has positively contributed to this exponential growth (Bain & Company, 2021). Despite being the third-largest economy, only a hand full of e-retailers were able to take advantage of the Indian market. Close to 70% of the Indian e-retailing market is controlled by Amazon (31%) and Flipkart (Incl. Myntra, Jabong) (39%) (Arcieri. K, 2019). With Walmart buying a stake of \$16 billion in Flipkart in the year 2018 and Amazon Investing an estimated \$10 billion in its commitments to its Indian operations there here been stiff competition between the two rivals in the Indian market. The recent development in the Indian e-retailing market is the entry of the Reliance retailing unit to participate in this market. Reliance retail already plays a role in the e-retailing market through their Reliance digital online platform, Ajio.com, and Jio Mart. Reliance Retail has set the ball rolling to dive deeper into the e-retailing segment, one of their signature moves was the acquisition of robotics start-up Addverb for Rs 1,000 crore. Addverb Technologies Pvt is involved in deploying robots for e-commerce warehouse management and efficient energy production. “Reliance has huge plans to implement automation across digital warehouses,” said Kumar. They have plans to expand warehousing to hundreds of locations in the next two years and when you have that scale, only robotic systems can be effective.” (The Print,

2022). Reliance Retail has been on an acquisition spree with notable acquisitions of Netmeds an online pharmacy, online furniture retailer Urbal Ladder, online grocer MilkBasket among the rest (The Economic Times, 2021). Reliance Retail has been ranked 53<sup>rd</sup> in the world and 2<sup>nd</sup> fastest growing retailer, behind South Korea's Coupang Corp. (Deloitte, 2021). Reliance Retail has raised Rs 47,265 crore by selling a 10% stake to some of the biggest names in private equity, including Silver Lake, KKR, General Atlantic, Abu Dhabi Investment Authority, and TPG (The Economic Times, 2021).

In the year 2020, the Indian retail market was valued at \$883 billion US dollars (IBEF, 2021). Food and Grocery amount to almost 68% of this market followed by Lifestyle at 15% and 5% of the entire retail market is made up of Electronics. In contrast to the entire retail market, Consumer electronics and Apparelsmake up 80%, and food and Grocery make up just 7% of e-retail. Though there has been notable growth in the e-retail market, the e-retail business contributes just 4.7% of total retailing activities In India and is expected to reach 10.7% by 2024 (IBEF, 2021).

### **Two models of E-retailing:**

- a. Market model:** The retailer merely acts as a platform for connecting the buyers and the sellers and does not have ownership of their inventory
- b. Inventory model:** The retailer owns the inventory and also manages the complete sales process. i.e the goods sold under the inventory model is owned, managed, and sold by the retailer.

### **FDI permitted in retailing business in India:**

In the present retail landscape, FDI is not allowed under the inventory-based retail model and FDI in Multi-Brand retailing is limited to 51% subject to fulfillment of clauses under 5.2.15.4 *Consolidated FDI Policy, 2020 (DPIIT)* given by the Government (Exhibit 1) Hence the domestic companies have an edge over their international counterparts in taking control over the retail landscape in the Indian market.

Concerning this study, it should be noted that the unorganised retail market contributed to a staggering 90% of the total Indian retail market as of 2018 and has been experiencing a Y-o-Y growth of 19% from 2015 to 2018 (Srivastava. A, 2018). These numbers prove that despite the massive take-off of e-retailing and its contributing factors the entire population of India shops predominantly through unorganised retailers. Therefore, to penetrate through

this massive unorganized retail market companies both local and domestic have to develop viable strategies that play to their strengths and serve their best interest. Alongside the entry of e-retail giants in the Indian market and the growth of organised retailing the challenges and competition for unorganised retailers has increased commendably. The majority of these challenges can be attributable due to changes in the shopping habits of Indian consumers. “Sensitive behaviour” of Indian consumers is in line with the intensity of the pandemic and related lockdown measures. With the increase in the intensity of the pandemic, many consumers preferred to consume goods from their neighbor stores including kiosks, street vendors, kerana stores; once the pandemic lost its intensity and restriction was curbed many consumers have returned to organised and modern outlets (BCG, 2021). This trend among the Indian consumers is an important attribute to this study as all the retailers across all modes in India have to cope with this change in consumer sentiments. Shares of various segments in E-Commerce retail by value is mentioned in (Exhibit 2 and 3).

## **PROBLEM**

### **Preponement of the Inevitable - Emergence of Chain Retailers in the E-Retailing arena**

The Covid-19 pandemic, despite having a major impact on the e-retailing arena has preponed the inevitable change that was waiting to happen shortly. The pandemic had a positive impact on the behavior of consumers towards online shopping (Khan, Hamayun. (2021). The second most populated country in the world is experiencing a big shift of consumers from offline to online especially during the nationwide lockdowns. Hence, the e-retail arena inevitably attracts the interest of many players willing to participate in the changing scenario. We see the interests unfold in the Indian Online retail sector with potential new entrants waiting to emerge. At present, the retailing giants Amazon and Flipkart control more than 90% of the market share in the E-Retailing sector of the Indian Market (Digbijay Mishra, Dec 10, 2021). This shows the dominance of the two major companies in the retailing industry. However, this has attracted some prominent local chain retailers like Reliance Retail and D’Mart to integrate their offline retail with the online retailing segment. As stated earlier Reliance Retail has made its move to online retailing evident by Addverb technologies and optimizing its supply chain segment following this acquisition the retail giant is on the move to take over assets of Future retail which has an

already established presence in the E-Retailing sector (IANS, 2022). Alongside Reliance Retail, D'mart has made its move to convert its offline stores into fulfilment centers for a strong e-retail presence (Sanchita dash, 2021).

These transformations in the e-retailing landscape leave small-scale organised and unorganised retailers in a state of concern. The biggest strength of small-scale and unorganised retailers is the proximity they enjoy to their customers, it gives them an exceptional ability to manage their supply chain effectively considering their scale of operations. Post the backlash faced when Walmart's deal with Flipkart became public, the Indian Government have revised its FDI regulations to support the small-scale retailers. The new FDI regulations prohibit foreign e-retailing companies like Walmart and Amazon from practicing inventory-based retailing models. Additionally, Government India also specifies multiple regulations concerning multi-brand foreign retailers (Sankalp Phartiyal, 2019). This move by the Indian Government offers new players like Dmart and Reliance Retail a massive advantage over the present e-commerce giants. Concerning the supply chain, *"As of March 31, 2021, Reliance Retail operates 12,711 stores across 7,000+ cities with a retail area of over 33 million sq ft"* ([www.relianceretail.com](http://www.relianceretail.com)). Reliance has already maneuvered in the online retail segment through Jio Mart and Ajio but hasn't gained a noticeable share this could be attributable to the present competition posed by Amazon and Flipkart. Ajio an e-retail platform of Reliance Retail competes with the market leaders Amazon and Flipkart in the Fashion segment. Ajio(Reliance) holds 9% of the shares in the fashion segment compared to 60% of Flipkart (Myntra) (Sanchita dash, 2020). Though Ajio competes with Flipkart but it is still far behind in the market. But the deal between Future Retail and Reliance Retail will furthermore strengthen the supply chain of reliance with additional access to Future Retail's 1800 stores across 420 cities in India (J. Jagannath, 2020). As a part of this deal Reliance Retail earns the edge in the fashion and groceries market through brands like "Brands Factory" and "Big Bazaar" of Future Retail. As per the statistics, groceries and lifestyle amount to 83% of the Indian retail market (IBEF, 2021) and contribute the majority of revenue in the retail sector (Statista, 2022). Dmart has 226 self-owned stores spread across the country which may not seem as convincing as Reliance Retail, Dmart's strength has been its supply chain management which has transformed it into a 2 trillion (INR) company (Sanchita dash, 2021). A turnover of 2 trillion (INR) for 226 stores cannot be ignored easily.

## PROPOSED SOLUTION

### The Revamp

The E-Commerce industry in India will be the second-largest in the world by 2034 with an upward growth trajectory and it will soon surpass the United States. The e-commerce industry showed a promising CAGR of over 35% to reach Rs. 1.8 trillion (US\$ 25.75 billion) in 2020 (IBEF, 2021).

Now the question of sustainability arises on the strategies each class of retailer can adopt to stay in competition with the upcoming revamp of the online retailing sector.

### Surviving the Revamp

The most viable option for the companies to survive the revamp of the retail sector is Specialization. Focusing on their strengths can be the most viable option to survive the revamp.

### Category 1: Market Leaders

- a. **Flipkart** – The most selling products on Flipkart are Peel-off masks, Nail polish, Exercise bands, Blankets, Health supplements, Beauty products, etc. (Devender Rathor, 2021) with most of its top-selling products pertaining to the beauty, health, and lifestyle sector Flipkart can specialize on fashion products. Being an Indian company Flipkart can focus on making absolute advantage of the Inventory model of retailing, through this model Flipkart can promote its brands across various segments of products. Eg: Adrenex – Sports and fitness.

During the lockdown, Flipkart was the pioneer retailer to capitalise on the market for groceries through Flipkart Online SuperMarket by offering a wide range of groceries at a competitive price. Flipkart offered products for as little as Rs 1.00 and provided free delivery for orders worth more than Rs 400. This move by Flipkart gave them an unparalleled advantage in the online groceries market among the two market leaders.

- b. **Amazon** – The most selling products on Amazon are Toys and Games, cameras & photo Accessories, Books, Home, and Kitchen Furnishing, Home Appliances, etc. (Garima Mahajan, 2021). Based on their top-selling products we understand Amazon has a stronger presence in electronics and home appliances. Along with retailing products, Amazon offers streaming of movies and shows online, this segment is emerging as a

bigger market than ever before in which Amazon has already imprinted its footprint strongly. Being a foreign company Amazon's growth is considerably limited by Government policies favoring domestic retailers. Amazon can improve its foothold by partnering with high-quality sellers to offer a massive range of quality products at a competitive price. Amazon can venture into other businesses using its reach in the retail sector as a promotional platform. Eg. Amazon Prime subscription for Prime content in Amazon prime, a video streaming platform.

### **Category 2: New entrants:**

Shortly prominent chain retailers like D'Mart and Reliance Retail (though not a new entrant but with the massive reach gained through Future Retail. ltd) can focus on the segments which the present giants do not have a strong foothold. With the established stores across the country, chain retailers can take total advantage of efficient logistics and customer reach. They can transform their chain store as a hub for their e-retailing activities and enjoy the unmatched benefited of an integrated retail model. The new integrated retailing model provides a greater room for innovative and creative logistics, supply chain, and inventory management by these retailers. The new entrants can strategize blending the brick-and-mortar stores with their virtual presence.

## **RECOMMENDATIONS**

### **The perilous times of the “overlooked” – Means of survival**

Though this study was focused on the revamp of the retail sector, the times ahead are going to be perilous for the overlooked which are the Kirana stores and the small-scale shops (**Category 3**) in the country. Apart from the pre-existing burdens of the pandemic on their shoulders, these new revamp in online retailing and the shift of consumers towards online shopping and organised retailing, the Kirana shops and small-scale businesses face a tough time ahead.

**Means of survival** – Optimization, and adaptability can be the most viable options for this category of retailers to remain competitive in the market. The advent of apps like Grofers, Dunzo, etc. has given hope to these overlooked stores which have been caught up in the middle of the billion-dollar company wars. The small-scale stores should adapt themselves to the present trend by integrating their business to online affiliated companies (Sinha, P. K., Gokhale, S., & Rawal, S. (2015) and optimize their businesses. They should pay



cautious attention to understanding the needs of their local customers and maintain an optimal amount of inventory of relevant products based on the needs of their customers as most of them are from the neighbourhood. Retailers under this category can look forward to developing strategies to gain higher ground by way of capturing the local market segment through better-personalized customer service and offering products that are unique or neglected by the mainstream retailers.

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**EXHIBIT 1**

**Table: E1**

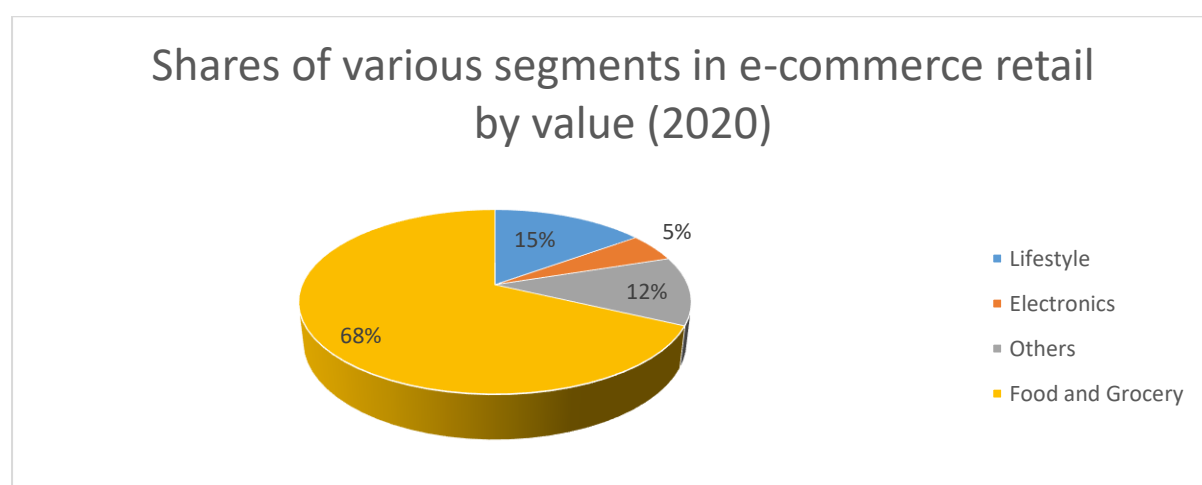
Sector/Activity	FDI Cap
Cash & Carry Wholesale Trading/Wholesale Trading (including sourcing from MSEs)	100%
Single Brand product retail trading	100%
Multi Brand product retail trading*	51%
Duty free shops	100%
E-Commerce activities**	100%

\* Retail sales outlet let may be set up as per the decision of the respective state governments

\*\* 100% FDI is permitted under marketplace model of e-commerce and not permitted in Inventory-based model.

Source: Consolidated FDI Policy, 2020 (DPIIT)

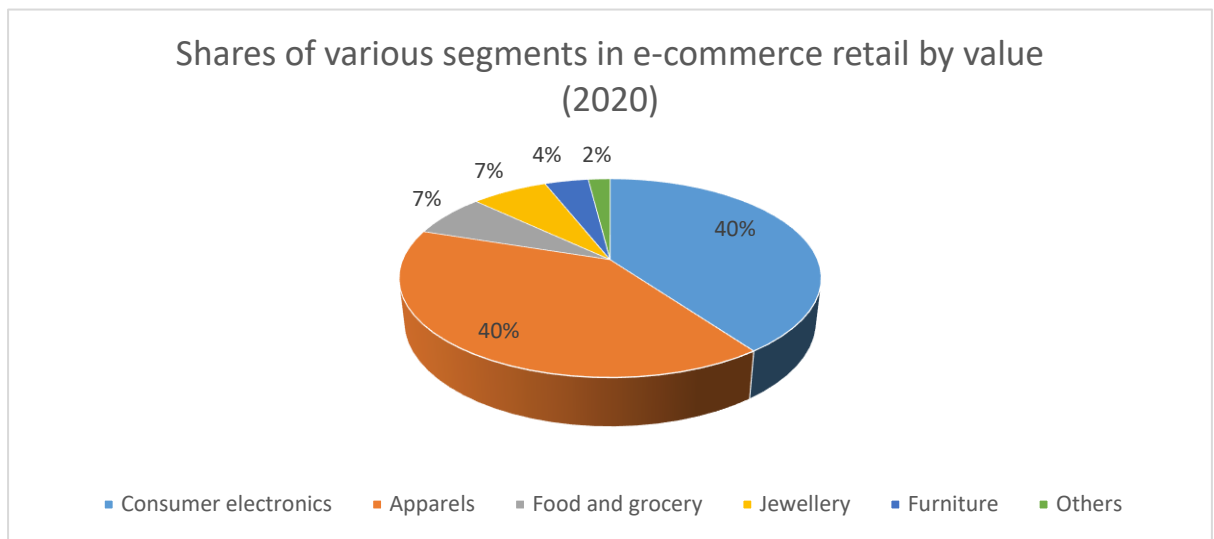
**EXHIBIT 2 Figure: E2**



Source: Growth of E-commerce Industry in India – Infographic (IBEF, 2021)

**EXHIBIT 3**

**Figure: E3**



*Source: Growth of E-commerce Industry in India – Infographic (IBEF, 2021)*

## **Marketing sexual wellness through the road less travelled: A case-study on Shycart.com**

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### **Abstract**

Cultural reservations and legal limitations affect the way sexual wellness is perceived, marketed and sold in India. Lack of specialty stores and embarrassment experienced while shopping across counters plagued the market. Recognizing the need, Shycart.com promotes sexual wellness through the digital platform in order to mitigate embarrassment and make sexual wellness products easily accessible for end-users. In the theoretical light of Wind and Hay's All Touch Point Value Creation Model (2016), the present research aims to develop a case-study on Shycart.com, an innovative start-up that markets sexual wellness online. Using the case-study approach, this qualitative study uses in-depth interview with the co-founder and participant observation. The case invites readers to understand the strategic marketing decisions made by Shycart to market sexual wellness.

*Keywords: Marketing, Sexual wellness, Digital entrepreneurship, Value Creation, Innovation.*

### **Introduction**

Embarrassment is clearly an important emotion to understand (Dahl et al., 2001; Bonnici et al., 2011; Blair & Roese, 2014; Nichols et al., 2014; Krishna & Herd, 2015; Jones et al., 2018;). Researcher studies observe the implications of packaging and product differentiation on customers' purchase decisions embarrassing products. Product anonymity is negatively correlated to embarrassment which in turn is negatively correlated to purchase decisions Jones et al. (2018). Promotions of any sort like discounts and coupons can spur sales for embarrassing products as they influence customers to overcome their uneasiness to buy embarrassing product (Bonnici, 2011). Social media have eased the path to purchase embarrassing products in the form of opportunities to communicate about embarrassing products there by contributing to accomplishing advertising objectives as well as quality of life of online consumer (Knowledge@Wharton, 2014). Consumers try to camouflage sexual wellness products they have purchased by adding other items to the shopping cart. Blair and Roese (2014) demonstrate that addition of non-embarrassing products to the shopping cart do not necessarily reduce anticipated embarrassment but may,



paradoxically, aggravate it instead. Dahl et (2001) conclude that more familiar the consumers are with the an embarrassing product purchase, the less embarrassed they are likely to feel. In a study conducted by Durex, 13 per cent of Urban Indian women do not have access to sex toys and engage in using organic items for pleasure which are unhygienic. These women cannot share this with their husband openly.

This study focusses on Shycart because the brand is positioned as a sexual wellness brand as against it's competitors who explicitly identify themselves as sexual entertainment brands. Shycart is bootstrapped and has sustained in the market without external funding since inception. The company touched the 1000-mark product category within three years of inception. The company is diversifying into new territories of medical testing services.

## **Background**

Sexual wellness is serious business. Sexual wellness industry includes products and services that promote and enhance sexual health and experience. According to Wiseguy (2019), 'The demand for sexual products from emerging economies, increasing online retailers, growing incidences of AIDS/HIV and STDs and awareness about sexual wellness products are pushing strong market growth'. Globally the sexual wellness market is pegged at \$39 billion by 2024, growing at CAGR of 7 per cent during 2019-24 (Arizton Advisory & Intelligence, 2019). The market for sexual wellness in India was valued as \$227.8million in 2018 (Kashyaap, S. & Krishna, V., 2018) and was expected to grow at a CAGR of 34.76 per cent over the period 2014-2019 (Technavio, 2014). Dialogue on sexual wellness and sex education is overlooked in India, a country with largest adolescent population<sup>1</sup>.

Against this backdrop, it was crucial for Shycart.com to set base, establish and penetrate their service in order to engage with target audience. All Touch Point Value Creation Model (Wind & Hays, 2016) looks beyond advertising to explore how brands, marketers and audiences can engage at touchpoints to achieve desirable outcomes in view of market changes. The model continuously echoes value creation in a responsible manner for the enterprise, its people and target audience that exist within a society and culture. The model encompasses four key elements: Aligning win-win-win impact, orchestrating value creation across all touchpoints, R.A.V.E.S., and M.A.D.E.S. Creating a win-win-win impact is possible through value creation at every interaction between consumers and the brand which is an opportunity for true value exchange as an ongoing process. Brands must be able to create that kind of value at every touchpoint by allocating and coordinating

resources and constantly acknowledge the scope for improvisation. Such an engagement with the clients is a dialogue with information flow. R.A.V.E.S is a guideline mandates each touchpoint as one that should be Relevant and respectful, Actionable, Valuable and value-generating, and provide an Exceptional experience and a Share-worthy story. M.A.D.E.S guides and explains that each touch point is an opportunity that can be a multi-sensorial experience that resonates with Audience's circumstances, accustoms to the Delivery platform, negotiate in the changing Environment and contribute Synergistically to other touchpoints.

### **Problem**

Establishing and penetrating in a market that caters to selling sexual wellness can be challenging in a society where the domain is considered a taboo. Further, the pandemic was a disruptor across sectors and has added its share of woes to the business of Shycart.com. Taking a nuanced approach towards the problem statement, this case-study analysis seeks to address what strategies were used by Shycart.com to negotiate its presence in the market? How does Shycart.com design and leverage touchpoints to explore new areas of potential value exchange and creation? How did the pandemic affect the business for Shycart.com and how did the brand negotiate its way through the pandemic?

In view of developing this case-study, this qualitative study uses in-depth interview with the co-founder and participant observation.

### **The genesis of Shycart.com**

The embarrassment quotient endured by founders of Shycart and their friends when accessing sexual wellness products triggered the idea to start the business. Going to the store when there are no other customers, ordering through a piece of paper, wearing helmets to mask identity, astonished store assistants, embarrassing looks, unwarranted questions, a camouflaged shopping cart are all part of their unpleasant experiences that only reinforced and affirmed their confidence about the necessity of the business.

The privacy offered by internet, changing media landscape and launch of innovative products have increased awareness. In India, the demand for sexual wellness products in grey market, consulting quacks and advice formulate night television programmes shows that people did not have a credible go-to-place to shop discreetly and confidently for sexual wellness products which are treated as embarrassing products. The company was started in 2012 by Mr. Arul Oli and Mr. Vivek Raja who saw a dire need to promote sexual wellness.

## **Negotiating market presence**

Main obstacles that Shycart negotiates its way through are legal restrictions, cultural reservations and invisibility in mainstream media. Due to legal limitations that these products cannot be openly advertised in mainstream media as well as Google and Facebook, Shycart is negotiating its marketing strategy in the form of organic marketing. Shycart actively uses online communication channels such as social media, emails and Google via SEO. Email marketing and social media are the main form of audience engagement and brand promotion. User engagement on social media is minimal because people are hesitant to share as their identity is revealed when they comment or share worthy stories. Participating in expos, conducting training programmes and workshops to create awareness in schools and colleges are offline activities that Shycart uses to connect with potential audience. During such activities, Shycart engages medical experts to connect with students. This certainly helps to build the image that Shycart concentrates on wellness. Shycart is able to reach more online customers with existing marketing efforts because online market has increased exponentially with the advent of Jio that offered free data packs. As internet penetration increased, Shycart had an increase in potential online customers.

Shycart faces an on and off season periodically. The best business days begin one month prior to Diwali and extends upto Valentine's day and the off season spans between March to August due to year end for financial year as well as closing for schools. Shycart focusses more on fertility products during off season because there is a consistent demand for fertility products throughout the year. Shycart organises 3-4 awareness programmes on menstrual wellness in schools and colleges during the lean season between February - July.

Initially, Shycart faced a difficulty in convincing sellers who are used to giving it in bulk to distributors and stockists. Until Shycart succeeded in building a rapport with stockists and distributors, Shycart bought in retail from medical shops to serve customers. Now, Shycart maintains a strong relationship with all their suppliers.

Legal blocks do hinder the market. Customs issues are a great concern in importing products. Competitors of Shycart faced a ban in certain states because of their positioning. Shycart also faced a legal threat once due to a different interpretation of the law for a certain product listing. Eventually Shycart could not be held responsible for it due to the medical affiliation of the mentioned product. Legal issues and Government

norms are of significant concern for the sexual wellness industry as these norms are bound to change from time to time. What may be called a change in the periphery did affect Shycart's logistics when plastic was banned in Maharashtra. Shycart had to opt for different packaging for Maharashtra alone failing which the logistics company in Maharashtra will not deliver the products.

If the law relaxes restrictions on advertising, Shycart, like another industry, can gain visibility in mainstream media and overtly in Google, Facebook, Instagram and WhatsApp.

### **Aligned Objectives for Multi-Win Outcomes with Short-Term and Long-Term Impact**

Shycart is supported by a strong in-house digital marketing and communications team who serve as the brand stewards whose work forges long term relationship among internal and external stakeholders. The brand stewards further the brand's purpose to discreetly sell online any legal product that have stigma associated with it. In India, son preference and abstinence were two cultural requirements in terms of fertility and contraception respectively. The sexual wellness industry primarily caters to contraception and fertility. When the necessity of contraception and fertility are fulfilled, other things like sexual entertainment were introduced. Shycart also concentrates on personal hygiene, menstrual wellness, sexual entertainment which are additional part of the industry.

Shycart demonstrates its authenticity by its ability to attract and build loyal customer base despite challenges from online discount festivals when Shycart's sale dipped. Shycart consciously embraces responsibility and accountability throughout its value chain as the foundation in building trust, true to the brand's vision of being a one-stop shop for promoting sexual wellness. Shycart nurtures the relationships forged from the customer's maiden step of seeking assistance towards sexual wellness to how it is delivered to them, thereby giving them the confidence through a conducive atmosphere. Shycart constantly engages with its audience in sharing literature, product information and due medical advice through a panel of doctors. Shycart acts as a catalyst in creating dialogue about subjects that they would otherwise not talk about. Shycart has understood how to be of service to the people and how to collaborate with suppliers, doctors and other like-minded people in order to achieve its objective of becoming a trustworthy brand in the sexual wellness industry.

The Indian sexual wellness scenario is strikingly different from the West and far East where there are sexual wellness stores which are openly advertised. In Indonesia, it went on to be a rampant industry that was brought under control and legalized. But in countries such as the Indian subcontinent, Middle East and parts of Africa, there is no awareness, and it is unacceptable to openly talk about it. Shycart plays a positive, relevant, and responsible role towards promoting sexual wellness. While competitor of Shycart identify themselves as a sexual entertainment company, Shycart concentrates on sexual wellness. Shycart views cultural attitude as an opportunity because this attitude gave the need for a brand like Shycart.

### **Compelling, Unifying Brand Purpose**

The compelling and unifying brand purpose uniformly translates across the value chain of the business. Shycart is a business that wants to be in service of the people. Shycart's tone is to be humble, and empathetic and thereby contribute to the sexual wellness in their lives. Shycart is keen about what interests people and negotiates their message accordingly. They act as a bridge between what they need, what they experience and what sells. The brand thoroughly understands that aesthetic appeal is a norm to lure online customers in an UI/UX dominant era. In tandem with the brand purpose, the design brilliance and creative brilliance are coordinated and consistently evaluated with expert advice from time to time and also with the help of Google page insights. Based on these inputs, Shycart consistently tweaks its website to enhance user experience and this has reflected significantly on the business.

### **Orchestrated Across ALL Touchpoints**

Shycart's value creation is orchestrated across several touchpoints. Shycart keeps people at the center of this multimodal network of touchpoints. Positioning as a sexual wellness brand opened up several touch points for Shycart in the form of expos, training programmes and workshops. People are the actual and potential customers who opt for Shycart's service. Shycart's primary customers are in the age group of 25-34 years followed by 18-25 years. People opt for certified and popularly sold products. Customers do not prefer Chinese products or low priced products due to trust issues. Average SKU has been anywhere between 800-1000.

In terms of Product/Service design, experience and customer service, the business has been consciously tailor-made to offer discrete sexual wellness solutions. Be it their

product delivery mechanism or their testing services, privacy and respect to the individual are prime concerns in Shycart's concerted efforts to promote sexual wellness. Shycart has designed and leveraged touchpoints given the legal limitations on advertising and promotions. The approach to promotions includes word of mouth, awareness campaigns, user-friendly website accessed by 90% of the customers, app, WhatsApp linked chat box, convenient payment options, a small team of personnel, social network, discrete packaging, news articles in popular dailies and websites, SMS service to confirm orders and update delivery status, direct marketing, email information, ask the expert section, dedicated online form for product suggestion and two-fold feedback mechanism.

### **M.A.D.E.S and R.A.V.E.S for Touchpoint Value Creation**

Maximised context and maximised substance make Shycart a viable option to purchase sexual wellness products. Given the embarrassment quotient around sexual wellness products, Shycart is relevant and respectful towards its audience. Shycart help them make an informed purchase and they do it confidently because their privacy is protected. Apart from awareness programmes, Shycart creates dialogue by making people question and interact through provocative sensitive threads it creates from time to time. Shycart offers a frictionless shopping experience for the customer. What is valuable and value generating for the customer are emotional fulfilment, attention and customer satisfaction. Shycart is well-informed about introducing a product and has learned experts on board to handle customer queries. Shycart delights and aligns customers towards sexual wellness through meaningful gestures. For example, Shycart sends out small cards when they order fertility products. During pregnancy, Shycart sends them literature via email pertaining to pregnancy. When customers order post-natal products, Shycart follows up with congratulations cards. Shycart answers questions that customers pose and connects them gynecologists on board. Shycart shares customer's experiences as share worthy stories without revealing their identity.

Shycart is committed to promoting sexual wellness and goes an extra mile in delivery making it as anonymous and discrete as possible especially when they are delivering to remote areas and conservative areas such as college hostels. Beyond ethical and moral questions, Shycart recognizes the legal age of the customer and takes appropriate action accordingly. Shycart believes that it is their moral responsibility to promote sexual wellness.

### **Tackling Disruption due to Pandemic**

The pandemic affected Shycart in several ways. During the lockdown, functioning of the office was affected. Shycart was not able to open the office. Workers' commuting was an issue. Since Shycart trades under pharma license, commuting of staff was resolved in the initial phase of the lockdown. Since mansions and working professionals, hostels were forced to be closed, staff who sought accommodation in these places had to go back to their respective hometowns. Only one or two staffs residing in Chennai could report to office. Given this situation, the brand had to resort to remote working facility. Since Shycart has the backing of an IT wing, setting up this remote working facility was relatively easier but there were hurdles in managing people working from different locations. Since this is the first time the brand was resorting to this option, it was adverse to start with though adapting was quick. Work from home facility was set up by Shycart to ease the process for the staffs. The second major hurdle was in supply chain management as several states had imposed lockdowns. The supply of required products from other states was blocked due to lockdown. Though there was consistent inflow of orders, lack of stock was a hurdle due to which Shycart couldn't deliver to its customers. Services like amazon have warehouses in all states. In our case, we rely either on once-a-month supply from Delhi or on drop shipment model. Supply was affected by lockdown in Delhi. The issue in supply affected our business. It is noteworthy that there was an increase in childbirth in the country after the first lockdown. When customers were home-bound due to lockdown, there was an increase in demand for sexual wellness products related to pregnancy and fertility. We had consistent orders soaring in numbers, but we could not service the orders. Our revenue was affected. In order to reduce expenditure, the company reduced the size of working space and negotiated the rent accordingly so that the brand would be able to sustain until the pandemic is over. Thirdly, logistics was another concern. Customers' packages could not be delivered and were stuck in courier offices as delivery in red zones was not possible due to the imposed restrictions. State imposed lockdowns of borders further affected return of packages. Delivery time was affected and took as long as 3-4 weeks making the customers wait. In such circumstances, certain time-bound products such as fertility-related products, pregnancy test kits, ovulation test kits and so on were not duly delivered to the customer. Fourth issue was with courier service. The brand has tied up with private courier service which were banned from operations due to lockdown. Shycart tackled this issue by opting for delivery through India Post which was operational during lockdown.

As a matter of social responsibility, the brand embraced work from home culture in order to adhere to the defined SOPs. Only those personnel involved in packaging and despatching were asked to report to office. The brand introduced new ways to disinfect products using ultraviolet boxes. As a value addition, Shycart sent free sanitizers and masks to customers. Since Shycart has a pharma license, the company is permitted to sell sanitizers. They introduced bundled products of sanitizers which was a hit. Sometimes, only essential shipments were permitted. In those circumstances, through the customer care, the company convinced the customer to buy a pharma product such as sanitizer worth Rs. 50 or so and delivered other products along with it. Purchase of a sanitizer in the order made it an essential consignment. Shycart also offered the cost of the sanitizer as a discount on the bill value of the product. In case of high value products, Shycart converted the order into an essential consignment by adding a sanitizer kit at no additional cost. Post-covid, sales are good and the business is stable.

### **Recommendations**

While Shycart guarantees privacy and anonymity through the digital platform, the experience could be further maximized when it becomes multi sensorial in the form of a physical store, games and internet of things. Consistent presence in the news media is another touchpoint that Shycart may look at exploring. Shycart can consider installing sanitary napkin wending machines in schools and colleges to promote menstrual hygiene. Shycart can create a touchpoint in the form of an online form to sign up for newsletters. The brand must expand in terms of warehousing. As the business scales, more warehouses would be essential in countering external issues such as block in supply due to lockdown or any other calamity.

### **Conclusion**

Positioning as a sexual wellness firm helps Shycart negotiate its way through legal restrictions, cultural issues and invisibility in mainstream media. True value exchange occurs at each point of interaction between a brand and its customers. In accordance with All Touch Point Value Creation Model, Shycart contributes in a responsible manner to the people that exist within a society and culture. Shycart has designed and leveraged several touchpoints to maximise value creation pertaining to sexual wellness. Shycart must rekindle social media activity consistently to maximise potential value exchange and creation. Digital media ascribes an adequate positive image for a start-up like Shycart. Digital media has offered autonomy, innovativeness, risk-taking, proactiveness and competitive aggressiveness in tandem with the entrepreneurial process.



## End-note

<sup>1</sup>The adolescent population of India is 236 mn. India tops the proportion of adolescent population overtaking China. Source: Census of India, 2011, UN World Population Prospects, 12<sup>th</sup> Revision.

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## Case study on Livelihood Crisis During Covid-19

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### Abstract

The covid-19 has created a severe effect on the livelihood of people and it has not only affected their living but also had a substantial social and economic impact all over the world. Many of the coronavirus-affected countries are resource-dependent. Government restrictions such as isolation and shutdowns have resulted in a host of problems like food scarcity, supply shortages, and over-worked healthcare systems. Every country has been facing many crises and the restrictions from the Central and State Government side have affected many SMB's (Small and Medium Enterprises). Human existence is based on a source of income that can sustain and support the necessities of life. This paper also focuses on the covid-19 wreck on the livelihood of people who depends on their daily wages. In this century, epidemics have widened the gap between affluent and poor people and created income inequality. Following the crisis, these people would face significant hurdles in returning to their normal lives. Countries must build long-term and successful social security plans, especially in times of emergency.

**Keywords:** *Covid-19, Economy, Government, Livelihood impact, Mental health, Pandemic*

### Introduction

The World Health Organization (WHO) announced a COVID-19 pandemic as a highly transmissible coronavirus disease on March 11 (2020) marking the disease as a global spread. Due to this worldwide spread, it has become a global health crisis. Many governments have taken actions, that had a significant impact on society's day-to-day operations. The Public health strategy of "Social Distancing" has been widely used to slow down the transmission of the virus from spreading. In most countries, institutions and public amenities have been closed, and public gatherings have been prohibited varying from the cases and curfews.

As the crisis created multiple gaps in many fields, Government officials have started to implement various policies. As a result of this, Individuals started to work from home and

telecommuting became the norm (**He & Harris, 2020**). This has increased the usage of digital technology. Human lives which were running around different people started to evolve around the digital platform. The trade activities where people are involved physically have been reduced due to the social distancing, lockdown restrictions made by the government. Even the economy has transformed itself into a digital state along with the pandemic situation (**Jamal & Budke, 2020**).

In many nations, the epidemic resulted in significant losses of life, livelihoods, and much more. There is always one thing: the country must be aware of and prepared for any circumstance, whether favourable or unfavourable. Few cases have been examined in this research study on how the livelihood of individuals and families is affected, and how strong few policies have been established to help people lead a better life.

### **Background of the Study**

COVID-19's rapid spread has put human lives in danger. Their livelihood has been disrupted along with the impact on trade and the economy. The world economy has started experiencing major changes and it was heading towards the recession stage during this crisis. We need to understand how this crisis has impacted all human systems and how we might return to normalcy. In this study, we have discussed the problems that people have faced and the methods they've taken to combat the covid epidemic. During this pandemic, people's livelihoods are affected and even for essential items, there was a significant disconnect between availability and affordability. On the one hand, the spread of the virus harmed people's mental health, while on the other hand, their living conditions caused them to become depressed since many were forced to leave their employment owing to government limitations. Even though the official's restrictions and safeguards were properly communicated to the community, many people were confused by media reports. As a result, the crisis has seen an impact on not just their financial situation, but also their health and psychological well-being.

### **Problem**

Many people's livelihoods have been affected as a result of government restrictions and initiatives in various ways. Several critical elements can be labelled as a problem factor in this pandemic.

Among them, Lockdown was one of the major reasons wherein people were struck and were unable to react because the scenario was unfamiliar to them. Due to the extensive spread of the virus, the Indian government announced a nationwide complete lockdown in March. This has resulted in a deterioration of living conditions and a humanitarian crisis. Stock and ration shortages began as a result of the emergency lockdown, causing anxiety among workers.

Despite the government's efforts to distribute rations to all cardholders through local authorities, it has failed to meet public expectations. Leading to a shortage of supplies, many people went unnoticed. Demand was higher than supply during the lockdown, and many individuals were left without the necessities of life. In various nations, the Public Distribution System (PDS) is partly to blame for the chaos that emerged during the crisis, as officials are to blame for the problems that arose among the workers in getting the rations (**Choudhury et al. and Adhikari et al. 2020**). The unexpected shutdown had an adverse effect, particularly on the daily wage earners. Only after a few months of the lockdown, did the government start taking steps to address the people's basic issues (**Rajan et al. 2020**). Even farmers and suppliers were denied access to the markets due to government restrictions and policies in the lockdown period.

Lower-income people's livelihood has become resilient and stressful because of the constrained economic opportunities, fewer chances to meet their friends and relatives whom they could seek help from during emergency and stressful situations. In addition to that, due to lack of regular income, a substantial amount of people has expressed their concerns for life survival in the complete lockdown state. As a result of their failure in managing their health status, everyone began to get infected which affected their overall well-being. The covid-19 crisis has made a severe impact on people's mental and physical wellbeing. Few strong fears prevailed among frontline people who worked during the pandemic. i.e fear of transmitting the disease to their family members, fear of isolation, fear of staying away from families. (UN and IASC, 2020)

During this difficult time, technology has become both a burden and a blessing for society. Most educational and industrial sectors have begun to operate their services by allowing people to work from home and learn through online classes. Students from remote areas and those who are considered vulnerable have had difficulty in using technology and obtaining internet access in their communities. Faculty members were

unable to connect with students in the same way that they could in offline classes. There was a lot of opportunity for learning, but the problem was that students couldn't obtain complete knowledge from mentors because of poor connection facilities, and many people couldn't afford even mobile phones.

According to the India **Human Development Survey**, many adult women in rural regions are illiterate, which made them even more difficult for them to assist their children with at-home schooling. This is due to parental educational inequalities as well as other substantial differences in living conditions. The next factor to be explored in this study is unemployment. Many people lost their jobs as a result of this outbreak. As a result, people began to withdraw funds from their savings accounts to satisfy their fundamental needs. Since 2017, India's unemployment rate has been climbing, which is just another sign of the country's economic decline. From 2017 to 2019, the total rate of unemployment in India could be seen in Figure 1 below. They claim that this has had a negative impact, especially on recent young graduates. The absence of quality institutions in India is the root cause for the question of why young graduates are not being employed. If the industrial sector begins to provide these people with basic opportunities, we might be able to reduce unemployment by a certain proportion.

Figure 2 depicts how the unemployment levels have shifted over time.

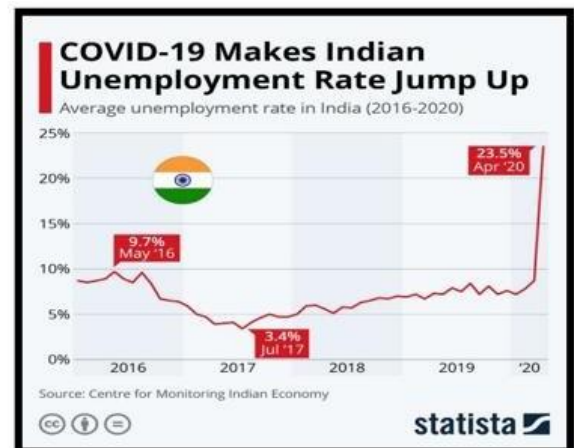
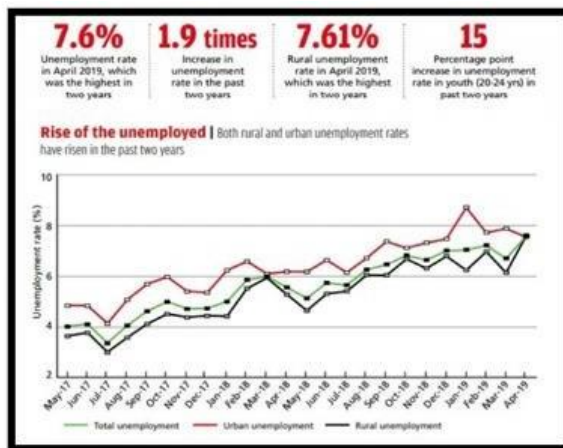


Figure: 1 – State’s environment on unemployment

Figure: 2 – Stats on unemployment rate

Source: center for science and environment & Centre for Monitoring Indian Economy

**Proposed Solution:**

Even though we say about the problems faced by various workers, there are cases like where employees started to use their benefits at the right time in this pandemic.

Organizations have also started to convert their shift basis works to work from home, employees kicked in to use their paid sick leaves and short-time work schemes were introduced to reduce the working hours for sick employees. These schemes have helped people in many ways to uphold their incomes. During this Crisis, many people who lost their jobs become entrepreneurs and consultants. Governments and authorities have tried to take advantage of the crisis by adopting entrepreneurial thinking. (**Vanessa Ratten, 2021**). This pushed people to evaluate the problems that the pandemic has created as well as the opportunities it presented. It also focused more on a certain type of entrepreneurship, such as family businesses (**Kraus et al., 2020**). Entrepreneurship is considered a significant aspect since it fuels a country's economic growth (**Anggadwita, Ramadani, Luturlean, & Ratten, 2016**). Industries must be adaptable to succeed in the current market environment. According to Public health experts, Entrepreneurship has been utilized to promote community partnerships that are major drivers for socio-economic transformation during emergencies.

In addition to this, the GIG economy evolved as a result of people starting to work as freelancers, perceiving themselves as bosses for their enterprises, and scheduling their working hours. It is not long-term work as an employer, rather a temporary position for a limited period. People began to investigate things in new ways as a result of the pandemic. They began to learn more about technological advancements through the internet and to sell their ideas and innovations through the same medium. Before the pandemic, this GIG economy was considered one of the most powerful employment weapons. However, it began to slow down during the crisis, but they were still able to dominate other industries. A few examples of this GIG economy expansion are the introduction of applications like Porter, which functions as a packer and mover, and Thyro, which collects blood samples at your doorway. Many people were helped by these services during the pandemic. In these types of scenarios, the necessity for real gig workers arises all over the country. As a result, it is the government's responsibility to provide basic security for gig workers and to promote this type of gig economy for those who are truly jobless in our society.

The pandemic has also changed the Education forum. Online learning which is also called an E-Learning platform started to play a vital role in student's life in the learning aspect. When Schools and Colleges were started to shut down globally as a result, from Kids to Adults teaching and learning is aroused on a digital platform. With the help of E-learning, many have become mentors to people in and around the world. With this sudden change

of adoption to online learning, people have started to wonder how it would reflect on the education market globally in regards to their employment opportunities. Even before the pandemic, many technology tools related to education were available but the growth of adoption was higher during the crisis time. **(World Economic Forum)**. Online learning platforms such as Google Classrooms, Google Meet, and BYJU'S were made available to students and teachers for free. As a result, the largest online movement in educational history has emerged.

Many people started to adopt self-service technology (SST) during this tough time. This SST helped people to explore more things, without the interaction of another person. People from all generations have started to use the virtual platform for their needs. Many sellers started to register themselves in online trading platforms such as Amazon, Flipkart, Zomato groceries, Swiggy genie to improve their earnings. These platforms play a third-party role to connect the people who are jobless during the covid. People who engaged in this started to earn more than their actual incomes. The development of self-service technology across a wide range of business sectors helps us in bridging the disparity between research and practice **(Eoghan & Kathryn, 2016)**.

Charles Darwin once said that “the strongest will survive and not the most intelligent” – where he says that, the one who can adapt to the change survive. It has been a sad reality in this pandemic because even though people who have been facing financial challenges, economic and personal losses in their lives have stood mentally strong and adapted to the situations and they all survived in this pandemic as a strong warrior. It is not always about what we lose during an unpredictable situation, it is all about how we wave back from it.

### **Recommendation**

One can survive the virus by following the protection and precautionary measures from the World health organization but to adapt to the ‘new normal’ and to survive in this society is a challenge for every human being. Each individual has to have a practice of adhering to the guidelines like wearing a mask, social distancing, taking up the vaccination, and booster shots. They also have to encourage their fellow members who fear up following these actions. Apart from protection measures, it is also the government's responsibility to revisit the policies made before the pandemic and redistribute the wealth equally. Governments and officials should consider people as people, not only as resources. Since they commit their time and livelihood to serve the organizations for whom

they work without expecting anything in return. When a workplace democracy is implemented, it will have a positive impact on employee engagement and satisfaction, resulting in consistent performance in any type of crisis.

To implement these policies in a densely populated country, underprivileged individuals must be provided with necessary governmental assistance for a specific period. Disease transmission would otherwise be prolonged, resulting in long-term consequences for the country. More research on early adopters and venture capital firms is needed. Even illiterate people must be taught and practiced with the technological developments so that the adoption during the crisis will be easier. In addition, with that Create an ethical framework for developing and implementing pandemic policies. Digital service providers must think forward about how crises may affect the planning and implementation of digital technologies in the public sector, and they must create a standard that includes crisis management features.

To conclude this study of livelihood crisis during covid, it is not the first or only pandemic, but it will be remembered for its social consequences in human history. To confront this type of pandemic calamity, the government and organizations must engage in speculative thinking policies and strategies. Many activities must be developed to make people mentally and physically stronger. In the future, many studies can be carried out on the businesses that flourished during the Covid-19. The study can also be extended to the diverse people who survived in the post-Covid era. It is now time for global compassion and assistance, especially for the most vulnerable members in our societies, particularly in emerging and developed nations. Only by working together, we will be able to overcome the Socioeconomic effects of the pandemic and can stop it from becoming a livelihood crisis.

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## Case Study On Optimisation Of Web Based Retail Space Through Market Basket Analysis Using Python

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### **Abstract:**

Case analysis to study the correlation among the products and related brand available in a web retail platform created by MSME retailers. The correlation can be studied using many data mining techniques. Market basket analysis (MBA) will be one of the best techniques to analyze the arrangement system which would optimize the designing of the web space and strategies to optimize their revenue model. Indeed it enhances the marketing and inventory management departments to gather information on customers' purchasing styles and level of satisfaction. This is highly related to optimization of space and increase in profit. The association rules, support count, lift and level of confidence measurements from the data set would read the relationship between the products and brands. From the literature reviews it was observed that there are many research cases which provides solutions to larger retailers and exclusively on grocery sector. This case aims to provide a solution for SME web-based retailers to optimize their web space and improve profits. Data set of 100 customers who purchase web based from 2 platforms were gathered and the correlation of the same was studied for optimization. The solution provides valuable inputs for cross expansions and diversification of new line of products in the same space.

### **Introduction:**

Buying of products over web mode has attained great popularity in recent years. Customers find it more convenient and comfortable to buy from their own places and they also enjoy the ease of sitting in a place and avoid the trouble of physical movement in search of their choices.

During Pre and post Covid period number of businesses exclusively large and medium scales have developed huge web space to sell their products and services through web-based mode. Web based form of retailing permits consumers to fetch data of the required good and services over a period through web mode. There are few familiar brands of web-

based retailers who support large, medium scale retailers. There is different form of physical retailers in India. The profitability ratio of physical retailing cum web-based retailing varies in all geographic locations. But when we compare large, medium and small retailers it exposes a poor graph for SME retailers. The challenges listed by SME web based contributes more on space management.

Several reviews were referred to identify the original problem of this case. This case study focuses on sorting the available web space to promote either their product or their service in the given point of time. There are several tools and techniques which are recommended for data analysis and data mining. The original problem starts in analyzing the set of data which is available with the respective stores.

### **Problem Statement:**

In the case study the research space utilized for development of this case was the web space of web-based retailer who is dealing with textiles, accessories and related products.

SMILE & SHOP was started in the year 2014 with a capital of Rs. 8,00,000. Since their inception they have redefined the art of retailing in beauty and personal care products, they were are also instrumental in fostering the growth of the stores through their tough transformation from retailing to e-retailing. The mission was redefined now and then and it states as 'redefining beauty everyday'. They own 7 product categories ranging from beauty products to textile products. The turnover of the store was showing a growth graph since inception started with Rs.8,00,000 and now it has raised to Rs.27,00,000. Value additions were made to their products and they were promoted in bundles. While moving forward it was a challenging phase for SMILE & SHOP. They had to look for a commercial web space which would yield at least a breakeven turnover. The store was able to showcase all their product categories through the web space and were able to yield good result.

The inventory department was able to make few observations on traffics visiting the store space and rate of conversion on the visits. It was observed that consumers were visiting the web space for few listed products and services and quit from the site. The web space available for promotion is optimally used by the store. The advantage of e retailing is it can provide hundreds of thousand items in one space and attract consumers to shop. This can be at least 30-50 times more than the physical stores. For any e- retailer, cost of designing, storing and referring of any web space for any number of products will represent only a small fraction of the cost as compared to any physical cost of storing. In the representative

case study it was observed that the web space utilization was not done optimally. When the space utilization was done for 5 range of products it was able to fetch good turnover over the capital investments. The total product categories owned by SMILE & SHOP is 7 in number. If the shop would concentrate in sort the set of fast-moving products and slow moving product ranges and analyze the nonmoving and low traffic spaces it would be used for other category of products and other extension of ranges.

Optimizing the web space to greater level is the business objective of SMILE & SHOP. As a business analytics suggest methods to manage inventory space through any software applications/techniques.

**ANNEXURE:** The following are the data set of customers who purchased products from SMILE & SHOP - web based platform.

**Exhibit: 1- Sample data set**

Transaction 1	Tees, jeans, night wear, jacket, lip gloss, sweaters, liners, nail enamel
Transaction 2	Jeans, loose fit t-shirts, big knit sweaters
Transaction 3	Skinny denim, loose fit t-shirts, night wear, liners, lips sticks
Transaction 4	Jeans, long sleeve top, night wear, t-shirts, nail enamel
Transaction 5	Ready to wear blouses, jean, lips sticks, silk under skirt
Transaction 6	Close neck t shirts, skinny denim, jackets, lip gloss
Transaction 7	Boot cut regular, loose fit t-shirts, liners, Skinny denim
Transaction 8	Loose fit t-shirts, nail enamel, liners, skinny denim, lip sticks, Cutlery
Transaction 9	Loose fit t-shirts, sweaters, jean, long sleeve jackets,
Transaction 10	Liners, jean, Ready to wear blouses, silk under skirt, lips sticks
Transaction 11	Loose fit t-shirts, night wear, Tees, jeans, lip gloss
Transaction 12	Night wear, Tees, jeans, big knit sweaters, skinny denim, liners
Transaction 13	Jeans, big knit sweaters, t-shirts, liners
Transaction 14	Liners, sweaters, Close neck t shirts, jeans, jackets, lip gloss
Transaction 15	Cutlery, Ready to wear blouses, lipstick, Silk under skirt, liners

**Proposed Solution and Recommendation:**

**What is MBA? Scope of MBA in inventory management:**

Retailers and e retailers suffer a challenge of maintaining their inventory and store merchandising space. This is a major issue of both large and SME in both product management and space management. There are many techniques to sort products and manage inventory. One of the best utilized and proposed techniques is market basket analysis (MBA). This is also called as association analysis in data mining. This will help retailers to understand the commonly purchased product categories and frequently purchased product/brand lines. Working of MBA is exposed as below

**1. Association Rules**

The similarities between products can be observed through many ways. Those techniques fall within the framework of the general association. In simple words, the net result of this method is a set of rules that can be interpreted as “if that is so.”

Assume there are 12 customers: 10 of them bought jeans, 6 of them bought jeans with a category of t-shirts and 3 of them bought ready to wear blouses along with silk under skirts.

Transaction 1	Tees	jeans	night wear	jacket	lip gloss	sweaters	liners
Transaction 2	Jeans	loose fit t-shirts	big knit sweaters				
Transaction 3	Skinny denim	loose fit t-shirts	night wear	liners	lips sticks		
Transaction 4	Jeans	long sleeve top	night wear	t-shirts			
Transaction 5	Ready to wear blouses	jean	lips sticks	silk under skirt			
Transaction 6	Close neck t-shirts	skinny denim	jackets	lip gloss			
Transaction 7	Boot cut regular	loose fit t-shirts	liners	Skinny denim			
Transaction 8	Loose fit t-shirts	liners	skinny denim	lip sticks	Cutlery		
Transaction 9	Loose fit t-shirts	sweaters	jean	long sleeve jackets			
Transaction 10	Liners	jean	Ready to wear blouses	silk under skirt	lips sticks		
Transaction 11	Loose fit t-shirts	night wear	Tees	jeans	lip gloss		
Transaction 12	Night wear	Tees	jeans	big knit sweaters	skinny denim	liners	
Transaction 13	Jeans	big knit sweaters	t-shirts	liners			
Transaction 14	Liners	Close neck t-shirts	jeans	jackets	lip gloss		
Transaction 15	Cutlery	Ready to wear blouses	lipstick	Silk under skirt	liners		

**Exhibit: 2**

‘ If {Jeans} then {t shirt} ‘

The rule means, if a transaction holds Jean, it also contains any t-shirts (any form of t-shirts). The collection of items hold in the ‘ if portion ‘ of the rule is known as the **antecedent** and the item set that is corresponding to the ‘ then portion ‘ of the rule is known as the **consequent**. Typically, only Association rules for which the consequent consists of a single

item are considered because these are more actionable. Although the number of possible Association rules can be overwhelming, we normally investigate only the Association rules that involve antecedent and consequent items that occur together frequently.

## 2. Support Count

How to measure frequently and occurring instances from these transactions. To formalize that we need to define the *support* of an identified item set. Support of an identified item set is the number of transactions in the given data set which include the item set. Considering the given data the support of {Jean} is 10, being the transactions 1 2 5 9 10 11 12 13 14

The impact of an Association rule is ruled by the number of transactions that may affect which is measured by calculating the support of the identified item set consisting of the union of its antecedent and consequent. Accordingly, for the given data, the support count of {Jeans, t shirt} is 6, being the transactions 1 4 9 11 13 14

Rule of thumb states that only Association rules with a support count of at least 20% of the total number of transactions is accepted. From the above data set the support count of {Jeans, t shirt} is 50% which is more than 20% of the total number of transactions.

## 3. Confidence

In addition to support count, we need another measure known as *confidence*. Confidence can be calculated as below

$$\text{Confidence} = \text{Support of \{antecedent, consequent\}} \div \text{Support of \{antecedent\}}$$

From the data set:

Confidence of

$$\begin{aligned} \{\text{jean and t shirt}\} &= \text{Support count of \{jean and t shirt\}} \div \text{Support count of \{jean \}} \\ &= 6 \div 10 \\ &= 0.6 \end{aligned}$$

A high value of Confidence is gives a good association between the antecedent and consequent. However, this may be confirmed by knowing the lift ratio.

## 4. Lift ratio

Lift ratio is defined by the following relationship.

Lift ratio can be calculated as (Confidence)  $\div$  (Support of consequent / total number of transactions)

Lift ratio for if ' jeans' then ' t shirs' .

Confidence {jeans and t shirt= 0.6 [as already arrived at]

Consequent	= t shirt
Support of consequent	= 10
Total number of transactions	= 12
Lift ratio	= $0.6 \div (10/12)$
	= $0.6 / 0.8$
	= 0.72

The Lift ratio of 0.72 can be inferred as ' identifying a customer who has purchased both jeans and any variety of t shirt

***Lift ratio is accepted when it nears or greater than 1.00 suggests that the level of association between the antecedent and the consequent is higher.***

**In this case, the highest value is 0.72 which is very near to 1.00.**

We can work out the Lift ratio for {Ready to wear blouses and silk under skirts} as using the same set of formulas. The calculation of MBA can be done using Python.

**Python is a programming language which** is a widely-used in data science and in this case we've done a Market Basket Analysis using an actual web based retail transaction data from 15 different buyers' data set. The result of this market basket analysis could be used for a data-driven marketing strategy and decision making. From the given data set was analysis was done using python and the results are exposed.

The output Screen from Python:

Apriori algorithm:

```
data = pd.read_csv('data.csv', encoding="ISO-8859-1")
```

```
data
```

```
data = data.dropna()
```

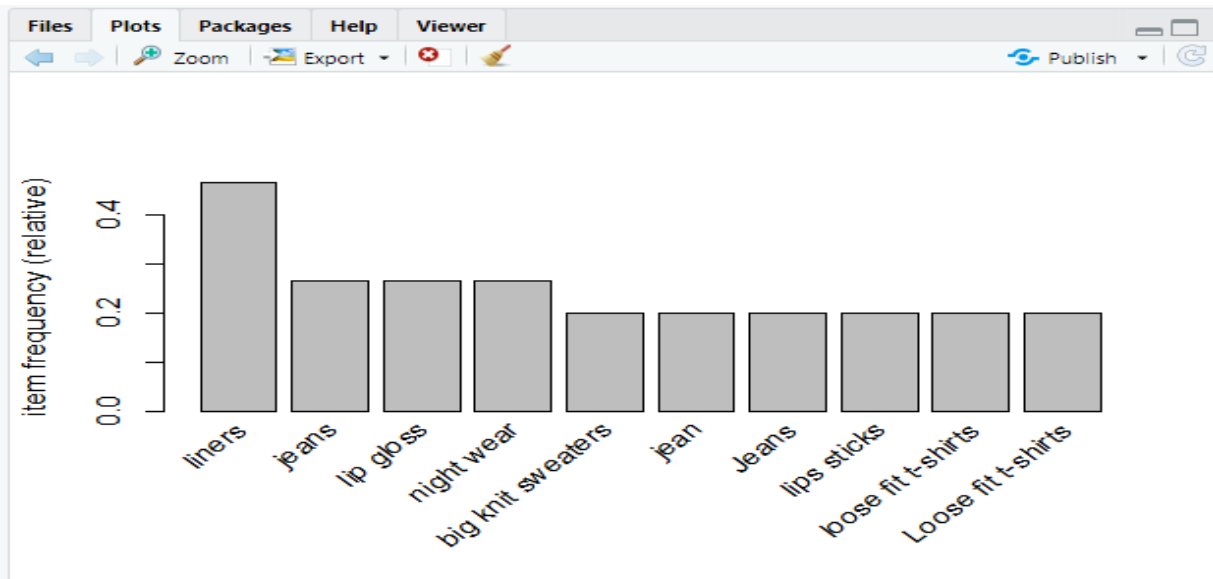
```
data.info()
```

```
def encode_units(x):
    if x <= 0:
        return 0
    if x >= 1:
        return 1

basket_encode_plus = basket_plus.applymap(encode_units)
basket_encode_plus
```

```
from mlxtend.frequent_patterns import association_rules

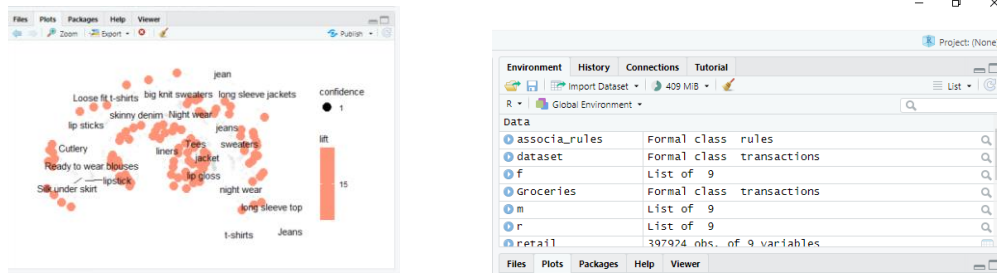
association_rules(frequent_itemsets_plus, metric='lift',
                 min_threshold=1).sort_values('lift', ascending=False).reset_index(drop=True)
```



```
RStudio
File Edit Code View Plots Session Build Debug Profile Tools Help
Go to file/function
Addins
Untitled1* x Untitled2* x apriori.R* x "Groceries" x Groceries x Groceries x Groceries x
Source on Save Run Source
1 dataset = read.transactions('Market_Basket_Optimisation.csv', sep = ',', rm.duplicate
2 str(dataset)
3 library(arules)
4 library(arulesviz)
5 set.seed = 220 # Setting seed
6 associa_rules = apriori(data = dataset, parameter = list(support = 0.004, confidenc
7 itemFrequencyPlot(dataset, topN = 10)
8
9 # Visualising the results
10 inspect(sort(associa_rules, by = 'lift')[1:10])
11 plot(associa_rules, method = "graph", measure = "confidence", shading = "lift")
12
13
9:1 (Top Level) R Script
```

```
Console Terminal x Jobs x
R 3.6.2 ~ /
[9] {cutlery,silk under skirt} => {lipstick} 0.06666667
[10] {lipstick,Ready to wear blouses} => {silk under skirt} 0.06666667
confidence coverage lift count
[1] 1 0.06666667 15 1
[2] 1 0.06666667 15 1
[3] 1 0.06666667 15 1
[4] 1 0.06666667 15 1
[5] 1 0.06666667 15 1
[6] 1 0.06666667 15 1
[7] 1 0.06666667 15 1
[8] 1 0.06666667 15 1
[9] 1 0.06666667 15 1
[10] 1 0.06666667 15 1
> itemFrequencyPlot(dataset, topN = 10)
> |
```





From the above study it can be concluded that from the optimization of the web space can either depend on the support ratio of the lift ratio. More we depend and sort our products based on lift ratio the more the association rule is maintained. SMILE & SHOPcan calculate MBA every month and sort their products and increase their turnover. The unused space would be optimally utilized through this method.

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## Village to Eco-Village: Reimagining Sustainable Livelihood through Community mindset

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**Abstract:** A typical afternoon thunderstorm rolled in over Muduligadia, a small village in the easter state of Odisha in India, in early August 2019. The Eco-Development Committee (EDC) of the village was enjoying well-deserved attention from print and broadcast media recognizing the initiative of the village. Nestled on the banks of the river Mahanadi and adjoining the Satkosia Tiger Reserve, Muduligadia was a village in one of the most hostile geographic locations that any village can imagine being at. Flooding in the monsoon was an annual phenomenon and the hostile forest on the other side presented those in the village with a double whammy of sorts. This is not unique to villages in India. With receding agricultural output due to ecological imbalance, educated and aspirational youth population and limited scope to earn a livelihood, villages have almost lost their old-world charm. But, unlike other such villages along the riverbank, Muduligadia was special. In 2019, with barely thirty-five households, it became the first village in Odisha to attain self-sustainability with zero-waste and 100% eco-friendly livelihood initiatives.<sup>1</sup> It also became the first-ever hamlet to be remodelled into an eco-village exclusively by the community members, contrary to the other initiatives that had generally seen the participation of outside agencies and often originated from commercial interests.

With reduced out-migration of youth and tangible economic benefits, the village has become a hallmark for community based interventions for development. Its popularity has ignited discussion in other villages for replication. As the president of EDC saw the first lightning strike on the horizon, he wondered if Muduligadia could be replicated? He thought that successful replication needed several questions to be answered: how to map the competitive advantage of this eco-village? How to undertake the task of changing the mindset of village residents towards becoming eco-sensitive? Who are the key

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<sup>1</sup> <https://www.newindianexpress.com/states/odisha/2019/nov/03/odishas-first-eco-village-comes-up-at-nayagarhs-muduligadia-2056362.html>, accessed, August 9, 2020

stakeholders? What kind of opportunities or threat exists? Is it possible to undertake replication of shared resources? What are the performance determinants of such a venture?

## **ENVISAGING ECO – VILLAGE**

Human society is faced with a fierce challenge to sustain itself. It is the result of rapid industrialization and ever-increasing consumerism.<sup>2</sup> The impact that it has had on our social, economic, cultural, and ecological systems has been devastating. We face an explosion of population, ever-increasing pressure on agriculture leading to heavy dependence on chemical fertilizers and pesticides, socio-economic inequalities, depleting natural resources, ecological degradation and climate change.<sup>3</sup> The risks are unfathomable. Over dependence on trade, optimal production costs and rampant abuse of resources has resulted in a world that is fast becoming unsustainable. During these turbulent times, several attempts are being made by groups of people to create sustainable solutions for a future that is more inclusive and closer to nature.

As a concept, eco – villages started taking shape in early 1960s. Considered as the ‘mother of all eco-villages, The Park, in Moray, Scotland, was established near the village of Findhorn’ in 1962 at as an experimental community project.<sup>4</sup> Its success led to similar projects in many countries across the world and culminated in the establishment of the Global Ecovillage Network (GEN). According to the GEN, an eco-village is defined as, “an intentional or traditional community using local participatory processes to holistically integrate ecological, economic, social, and cultural dimensions of sustainability in order to regenerate social and natural environments.”<sup>5</sup> The core philosophy of eco-villages rests on intentional planning and resident behavior for minimal or no ecological impact as an alternative to an industrial society that thrives on consumerism. In usual cases, such villages have small population who depend primarily on the natural environment for livelihood and sustenance through shared ecological resources as well as socio-economic, cultural, and spiritual values. Broadly speaking, the underlying principles of eco – villages are embedded

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<sup>2</sup> Burke, B. & Arjona, B. (2015). Creating Alternative Political Ecologies through the Construction Of Ecovillages And Ecovillagers In Colombia. In Lockyer, J. & Veteto, J., Eds., *Environmental Anthropology Engaging Ecotopia* (pp. 235–250). Oxford; New York: Berghahn Books.

<sup>3</sup> Greenberg, D. (2015). Academia’s Hidden Curriculum and Ecovillages as Campuses for Sustainability Education. In Lockyer, J. & Veteto, J., eds., *Environmental Anthropology Engaging Ecotopia*. (pp. 269–285). Oxford; New York: Berghahn Books.

<sup>4</sup><https://medium.com/responsible-travel/what-is-an-ecovillage-here-are-some-of-the-best-international-ecovillages-6346107ef419> accessed, August 9, 2020

<sup>5</sup> <https://ecovillage.org/projects/what-is-an-ecovillage/> accessed, August 9, 2020

in “a human-scale, full-featured settlement in which human activities are harmlessly integrated into the natural world in a way that is supportive of healthy human development, with multiple centres of initiative, and (which) can successfully be continued into the indefinite future.”<sup>6</sup> The four pillars of a successful eco-village are sustainable economic, societal, cultural and environmental practices.<sup>7</sup>

In the recent times, Indian villages emerged as a centre of experimentation, and with the support of civil society organizations, self-motivated youth, and government agencies, it had achieved transformation in eco-villages. The western state of Gujarat in India had developed the country’s first eco-village, Dhaj, with the joint efforts of the Gujarat Ecology Commission, Forest and Environment Department of the state. Subsequently, few other villages on the similar lines were developed in other states of the country, such as Maharashtra, Bihar, and Rajasthan.

Spread over 345 hectares, Muduligadia is located in Gania tuluk of Nayagarh district in the state of Odisha. In 2009, it had 27 households with a total population of 91 people.<sup>8</sup> By 2019, the small village was populated by 35 households who depend on the adjoining forest or the Mahanadi River for livelihood.<sup>9</sup> It is situated 136km from Bhubaneswar, the capital of Odisha, 18km away from sub-district headquarter Gania and 73km away from district headquarter Nayagarh.<sup>10</sup> All economic activities by villagers were seamlessly integrated into their natural environment. The population has been residents from the time they can remember and have a very strong relationship with the ecology that provides for them. The camaraderie that they share is of a family rather than that of fragmented families. They fit in appropriately into the eco – village fundamentals identified by Dawson (See Exhibit 1).<sup>11</sup>

## **PRACTICES, PREJUDICES AND MINDSET**

Life in the uncertain and dangerous buffer zone of the Satkosia Tiger Reserve has not been easy. For livelihood, villagers have a traditional practice of going into the forest to collect

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<sup>6</sup> Gilman, R., & Gilman, R. (1995). Why Eco-Villages. *Eco-Villages and Sustainable Communities: Models for 21st Century Living*, 11-13.

<sup>7</sup> <https://www.iberdrola.com/environment/ecovillages-alternative-ecological-communities> accessed, August 9, 2020

<sup>8</sup> <https://villagedata.in/odisha/nayagarh/gania/Muduligadia> accessed, August 9, 2020

<sup>9</sup> <https://www.mycitylinks.in/odisha-sets-up-first-eco-village-in-satkosi>, accessed, August 9, 2020

<sup>10</sup> <https://villageinfo.in/odisha/nayagarh/gania/muduligadia.html> accessed, August 9, 2020

<sup>11</sup> Dawson, J. (2006). *Ecovillages: New Frontiers for Sustainability*, Schumacher Briefing No. 12. Chelsea Green Publishing.

honey, berries, roots, and firewood. The livelihood of Muduligadia's residents depended largely on the season. Monsoon was the toughest of all as on one side the Mahanadi would breach its banks<sup>12</sup> and on the other, the forest would be a dangerous place to visit with minimal collection. This drove many of the youth out to cities to earn a livelihood. The villagers, though, believed in the village goddess for miracles and swore never to leave their motherland.<sup>13</sup> To them, it was a dangerous move and that the goddess would curse them for leaving her unattended.

The size of the population and distance from the city meant that the villagers had no access to schools. This resulted in a lack of basic sanitation and hygiene awareness. They attended to their daily chores in the river and then used the same for drinking as well as cooking. Open defecation was the norm, and it led to disease outbreaks regularly. Household garbage would be thrown astray at the roadsides or even into the Mahanadi river, leading to abject pollution.<sup>14</sup> Life in the village, Baispalli Reserve Forest Sanctuary region, was very traditional. The males went on to the river to fish or to the forest to collect consumables and firewood that could be used to cook food. If they managed enough, they sold the extra in the nearby market to buy food grains. Females stayed home and spent their time attending to household work. Burning firewood for cooking had a severe impact on the women of the households who suffered from respiratory diseases or developed severe ailments.<sup>15</sup>

The change seemed unreliable. It challenged their core mindset. They did not like it as they had not experienced it. It was challenged in 2016 when Muduligadia was integrated into a Community Managed Nature Tourism programme by the Government of Odisha.<sup>16</sup> This integration was not easy and was challenged on all fronts. The villagers saw this as an incursion to their way of life. The Government proposed several changes to the villagers went about their daily life. Education, sanitation, hygiene, river conservation, organic

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<sup>12</sup> <https://en.wikipedia.org/wiki/Mahanadi> accessed, August 10, 2020

<sup>13</sup> [http://gopabandhuacademy.gov.in/sites/default/files/gazetter/Nayagarh\\_Gazetteer.pdf](http://gopabandhuacademy.gov.in/sites/default/files/gazetter/Nayagarh_Gazetteer.pdf) accessed, August 10, 2020

<sup>14</sup> <https://theindianness.com/odishas-first-eco-village-comes-up-at-muduligadia/> accessed, August 12, 2020

<sup>15</sup> <https://www.etvbharat.com/english/national/state/odisha/muduligadia-first-eco-village-of-odisha/na20191107100608270> accessed, August 12, 2020

<sup>16</sup> <http://www.uniindia.com/odisha-to-set-up-satkoshia-sands-resort-to-promote-eco-tourism/others/news/261489.html> accessed August 12, 2020

farming, sustainable architecture etc., became a part of the to-do list.<sup>17</sup> Progress was slow, but eventually, the villagers, as a community, saw purpose in what was being proposed. The creation of the eco-village was life-altering for them.

## **FIRST STEPS**

In 2017, the residents of Muduligadia reached out to Ms. Anshu Pragyan Das, Indian Forest Services (IFS) officer, who was the Divisional Forest Officer of the Mahanadi Wildlife Division, Government of Odisha, for help and guidance. Someone who enjoyed wildlife photography and the author of two books felt connected to the cause.<sup>18</sup> She suggested that with efforts from the villagers, an attempt can be made to transform their abode into an eco-village. Her role in this experiment was crucial. She could muster all possible support from the Government, and it proved significant.<sup>19</sup>

She realized that the transformation should necessitate fundamental changes in the villagers and at the same time require governmental interventions as well. Therefore, the department extended necessary support to help the village become self-sustained by providing essential support in engaging in livelihood activities. She charted a two-pronged strategy. On the one hand, she began consultations with the villagers and EDC to understand them and introduce necessary changes. As a first step, she made them move away from their age-old dependence on the forest for food and firewood. To complement her suggestion, she enabled cooking gas connections to all the households.<sup>20</sup> This brought down the pollution from burning firewood on the one hand and a drop in pulmonary conditions among the women who cooked food. The next step was to help build toilets in every household to make the village open defecation free. Due to socio-cultural barriers, this took several rounds of awareness sessions but eventually, in 2019, the village was declared open defecation free. Similarly, running water connections for each household was arranged to reduce the dependence and exploitation of the river water.<sup>21</sup>

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<sup>17</sup> <https://odishabytes.com/odishas-first-self-sustainable-ecovillage-comes-up-on-foothills-of-satkosia/> accessed, August 15, 2020

<sup>18</sup> <https://www.revoi.in/ecotourism-how-a-woman-forest-officer-helped-villagers-support-their-livelihood/> accessed, August 19, 2020

<sup>19</sup> <https://yourstory.com/socialstory/2020/07/forest-officer-village-odisha-eco-tourism> accessed, August 19, 2020

<sup>20</sup> <https://www.utkaltoday.com/odisha-first-eco-village/> accessed, August 20, 2020

<sup>21</sup> <https://theocsrjournal.in/forest-officer-improves-life-of-forest-dwellers-by-leading-transformation/> accessed, August 20, 2020

## SUSTAINABLE LIVELIHOOD

Sustainable livelihood is a critical aspect of creating and sustaining eco-villages as it keeps priorities of those concerned at its core. By identifying and crafting opportunities around people, it garners support at a grassroots level. It has proven to continue longer than such livelihood projects that necessitate newer skill development or capability enhancement. Being people-centric in its approach, sustainable livelihood projects work best in communities where the intent of the people is paramount.<sup>22</sup> Key elements of this approach, including, participatory local development for key sectors through the integration of stakeholders, augurs best for rural and community development as well.<sup>23</sup> The success of such attempts rests on how best people connect with their immediate ecology and direct their efforts towards developing themselves through skill and capability development to work in consonance with it.<sup>24</sup> Functioning at multiple levels, these attempts require sync between residents of the village or community, government agencies, and the private sector.

By 2017, the village residents at Muduligadia had realized that conscious efforts need to be undertaken to save the village from decaying into a historical settlement. They began the process of change by identifying sectors that could create livelihood opportunities. A few factors that facilitated such change were inherent to the community.<sup>25</sup> Being small in size, having similar economic dependencies and having access to the same natural resources became strengths rather than being weaknesses. Similarly, being a highly cohesive community with a strong linkage to the village gave them a purpose too.<sup>26</sup>

The villagers began their journey of resurgence through self-discovery. Villagers formed an Eco-Development Committee (EDC) and developed a mechanism to make the project self-sustained.<sup>27</sup> EDC, along with the forest department and the state government took the

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<sup>22</sup> Haidar, M. (2009, December). Sustainable Livelihood Approaches. In *The Framework, Lessons Learnt From Practice And Policy Recommendations*. Expert Group Meeting on Adopting the Sustainable Livelihoods Approach for Promoting Rural Development in the ESCWA Region Beirut (pp. 21-22).

<sup>23</sup> Scoones, I. (1998). *Sustainable rural livelihoods: a framework for analysis*.

<sup>24</sup> Baumgartner, R., Baumgartner, R., Högger, R., & Hogger, R. (Eds.). (2004). *In search of sustainable livelihood systems: Managing resources and change*. Sage.

<sup>25</sup> <https://kalingatv.com/features/odishas-first-eco-village-muduligadia-in-nayagardh-district/> accessed, August 14, 2020

<sup>26</sup> <https://www.odisha360.com/2020/02/21/success-story-community-of-badmul-ecotourism-in-satkosia-tiger-reserve/> accessed, August 15, 2020

<sup>27</sup> <https://m.dailyhunt.in/news/nepal/english/kalinga+tv-epaper-kalingtv/odisha+s+first+eco+village+muduligadia+in+nayagardh+district-newsid-n19666680> accessed on August 14, 2020

responsibility of architecting a turnaround. It was also the responsibility of the committee to liaison with the government. Several meetings were held to identify sectors that needed attention. Their natural environment, day-to-day practices and culture were identified as key livelihood sectors.

- **Ecotourism:** One of the first initiatives undertaken by the village committee was to introduce eco-tourism as a means of livelihood.<sup>28</sup> The mighty Mahanadi river, the Satkosia gorge and the tiger reserve were gifts of nature. In 2018, with help from the forest department, the Satkosia Sand Resorts (See Exhibit 2) was set up with tents on the river sand banks. The eco resort started generating revenues within six months of being established. Of the thirty five households, thirty are involved in the resort. On an average, the resort earned one crore (\$ 1,33,500 approximately) each for the financial years 2018-19 and 2019-20. This enabled a monthly income of rupees fifteen thousand (\$ 200 approximately) for each of the households.<sup>29</sup> This was a phenomenal rise in family income for the villagers from being dependent on income from collections from the forest.<sup>30</sup> President, EDC stated, “The eco-village has generated employment for people living near the protected area and has been a source of awareness for conservation. The entire landscape now boasts of zero fire, zero poaching and zero dependence on forest. The community in return has helped increase health of forest and wildlife population”<sup>31</sup>.
- **Infrastructure development and maintenance:** Muduligadia is a transformed village now. Paved roads, colorful huts, dustbins for trash collection, signboards on roads, intricate paintings, and motifs on the walls of the village homes welcome tourists to a memorable experience (see Exhibit 3). Using eco-friendly colors and paints, the villagers have expressed themselves, their traditions and culture on the outer walls of their thatched roof mud houses. Trees have been planted beside the roads, and lush green local grass has replaced the weeds and brush. Through the EDC, the villagers have formulated a ‘No-Litter’ policy for the village as well. The

<sup>28</sup> Tao, T. C., & Wall, G. (2009). Tourism as a sustainable livelihood strategy. *Tourism management*, 30(1), 90-98.

<sup>29</sup> <https://www.orissapost.com/communities-in-navagarh-show-way-on-eco-tourism/> accessed, August 16, 2020

<sup>30</sup> <https://interviewtimes.net/navagarh-muduligadia-started-an-ecotourism-project-enables-the-villagers-to-earn-1-crore-every-year/> accessed, August 15, 2020

<sup>31</sup> <https://www.newindianexpress.com/states/odisha/2019/nov/03/odishas-first-eco-village-comes-up-at-navagarhs-muduligadia-2056362.html> accessed, April 12, 2021



garbage from the dustbins and households are collected and recycled daily. They have also enforced a plastic-free policy and follow it stringently.<sup>32</sup> The villagers themselves do maintenance of all common properties, and they have equipped themselves with essential vocational skills. This has also led to income bearing activities by the villagers. Another major outcome of such activities has been returning a few villagers back to the village in the last two years. Outmigration has also reduced since their transformation into an eco-village.

- ***Festivals:*** One of the other sectors that was also identified as crucial was local festivals. The villagers have created a beautiful community festival area that overlooks the scenic foothills of the Satkosia hills. During festivals, the villagers engage in traditional dance, food, and celebrations. Tourists are invited to participate in the events and enjoy the life of the villagers along with them.<sup>33</sup> This, too, has been one of the most successful endeavors of the EDC. The economic benefits from these festivals have made the village prosper. The villagers engage in activities ranging from event organization to engaging in translations for foreign tourists.
- ***Organic Farming:*** Historically, the village residents were mostly dependent on the forest for their daily food. Agriculture was never a top of the list activity, although some of them did seasonal farm vegetables occasionally. But with the transformation into an eco-village, the villages had a change in several of their age old practices as well. Agriculture was one of the most significant ones. Paddy fields sprung up and seasonal vegetable farming became a year round activity. The villagers decided to use organic manure only (treated cow dung) over chemical fertilizers. This too created employment and earning opportunities for many of the villagers. Cattle raising and dairy farming was undertaken by some who also gained from the sale of cow dung.<sup>34</sup>

Through vocational training, the villagers were helped in acquiring skills to transform their village into an eco-village and be gainfully employed by such transformation. These interventions helped Muduligadia become one of the most successful community-based

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<sup>32</sup> [https://www.business-standard.com/article/economy-policy/locals-participate-to-create-odisha-s-first-eco-village-on-mahanadi-banks-119110200989\\_1.html](https://www.business-standard.com/article/economy-policy/locals-participate-to-create-odisha-s-first-eco-village-on-mahanadi-banks-119110200989_1.html) accessed, August 18, 2020

<sup>33</sup> <https://www.ecotourodisha.com/ecotourism.php> accessed, August 20, 2020

<sup>34</sup> <https://cornflour56.rssing.com/chan-24355170/latest.php> accessed, August 19, 2020

eco-tourism experiments in the state of Odisha. It was the only model where almost 80 % of the revenues from eco-tourism activities is circled back to the community as wages and the rest 20 % was plowed back into maintenance and development of the tourist sites which in turn increased tourist footfall leading to better income channels for the villagers.<sup>35</sup>

Like Muduligadia, several other villages that shared contours with the Mahanadi river and the Satkosia Tiger Reserve, with similar lifestyles, started taking cognizance of possibilities. A few of them contacted the government after reading about Muduligadia in several newspapers to explore transforming their villages into eco-villages. The government might want to create a playbook for replicable transformation. The villages might undertake similar transformation experiments themselves. But before any decision can be taken, the key stakeholders must conceptualize and design a strategy for such transformation. They must also map where they want to reach. How to create a parametric scale to measure success? How to identify and get the key stakeholders ready who has the tenacity to handhold such a transformation? Should such replications be undertaken unhindered?

### **Discussion Questions**

Q1 - What kind of enterprise is Satkosia Sand Resorts? What are the elements of sustainability that Satkosia is working on? As the EDC president, if you were to draft a mission and vision of Muduligadia eco-village, what would that be?

Q2 - Who are the salient organizational stakeholder groups that may pose a threat (or opportunity) to the Satkosia Sand Resort and Muduligadia model village?

Q3 – As EDC president, what do you think, if more such villages were to develop in eco-village in the state, will it compromise Muduligadia’s position. How is the competitive environment in the arena of eco-tourism?

Q4 - Critically evaluate the competitive advantages of Muduligadia eco-village?

Q5 - The case for replication and requirements for replication

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<sup>35</sup> <https://homegrown.co.in/article/804563/forest-officer-creates-odisha-s-first-eco-village-on-the-banks-of-mahanadi> accessed, August 20, 2020

Q6 - What are the Performance determinants of an Eco-Tourism model like the Muduligadia eco-village?

Q7 - How do multiple stakeholders align and express their interest?

### **EXHIBIT 1: FIVE PRINCIPLES OF ECOVILLAGE**

1. Ecovillages are private citizens' initiatives. They're grassroots.
2. Ecovillagers value community living.
3. They are not overly dependent on government, corporate, or other centralized sources for water, food, shelter, power, and other basic necessities.
4. Ecovillagers have a strong sense of shared values, often characterized in spiritual terms.
5. They often serve as research and demonstration sites. Many offer educational experiences for others.

Source: Ecovillages: New Frontiers for Sustainability, by Jonathan Dawson (President of GEN, Co-Director of GEN-Europe), Chelsea Green Publishing, 2006.

### **EXHIBIT 2: ECO-TOURISM AT MUDULIGADIA**



**Source:** <https://www.etvbharat.com/english/national/state/odisha/muduligadia-first-eco-village-of-odisha/na20191107100608270>



Source: <https://www.ecotourodish.com/ecotourism.php>

### EXHIBIT 3: INFRASTRUCTURAL DEVELOPMENT AND MAINTENANCE



Source: <https://www.revoi.in/ecotourism-how-a-woman-forest-officer-helped-villagers-support-their-livelihood/>



**Source:** <https://www.townsoftheworld.com/India/Orissa/Balaramprasad/Videos?page=CCgQAA>

# RAPID CONSTRUCTION FOR COVID EMERGENCY

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## Abstract

This case study is based on **Consultancy Management practices**. To restrict and combat the pandemic the most successful way was swiftly constructing emergency facilities. Since there were no proper legal norms and laws laid out to do so in the past, creating projects require **organizational citizenship behaviour** among workers. H and L were two hospitals constructed in record fast time. Like this we have civil engineer from Gorakhpur, Shriti Pandey who built hospitals using stubble of 6,000sq ft having 75 and odd beds in 80 days in a small village near Patna. This paper provides study relevant tackle **Disaster** in getting best practices in management.

## Introduction

The COVID-19 pandemic arose across the globe at the start of 2020. Count of infected people by the 10<sup>th</sup> of August 2020, was 19.72 million in 216 countries, more than 728,013 deaths (Ling 2021). The pandemic of COVID-19 is a worldwide public safety and health disaster. It was inferred that an early test, early diagnosis, early treatment, and early isolation require huge-scale testing (Ling 2021). In places with a major pandemic outbreak rapid developing of emergency hospitals was a necessity. The Government of China agreed upon creating large-scale immediate facilities by January 2020, in Wuhan at China, within a span of two weeks.

## Background

The pandemic Corona, Omicron etc., are stressing governments to re-examine their health-care systems more precisely. In this study we learn from China, about how to build emergency structures at the time of pandemic Sustainability of business for building competitive advantage is also an ethical approach for building markets resulting in supporting innovative solutions that have a positive impact on society. It also creates social value and social profit. It relates to the mantra of 'doing well, by doing good'(Jabłoński et al., 2020) Every country also have positive sides to learn from.

Hospitals play a vital role in providing emergency health services in the healthcare system. Around the world, catering to patients with varying levels of illness severity has been a pivotal challenge for healthcare systems. Variable patient demand, affecting the capacity of the hospital and general functioning, as well as developing risks based on the location of the hospital, medical personnel, patients, as well as the healthcare method. Thereby, leading a rapid increase in the disease transmission.

### **Problem**

To restrict and combat the major COVID-19 pandemic, the most proven way was to swiftly construct emergency facilities. Since there were no proper legal norms and laws laid out to do so in the past, building such quick megaprojects require organizational citizenship to create behaviour among participants then only a formal management structure. (Wang et al., 2021) The government alone often is insufficient to manage and handle such unprecedented epidemic hence community participation comes into play to cater to the urgent needs of the hour. In this study, two hospitals built in emergency specially for COVID-19 have been used as cases to understand model for such a project. H and L were two multi-specialty hospitals built in time of emergency. Also, they had civil engineers from Gorakhpur like Shriti Pandey who built COVID hospitals using stubble of 6,000sq ft, 75-bed, in 80 days in a small village near Patna.

Governments have commissioned for emergency hospital projects when deployment of modular healthcare facilities have been the need due to the rise in COVID-19 reaction. These temporarily constructed ones are by converting public places which exist into healthcare facilities, sometimes stadiums and other times even convention centres.

This study about these spectacular models will encourage project managers to engage community participation in urgent megaprojects through public emergency management to achieve the project objectives. It gives way for learning disaster management techniques useful for consultancy practices.

This case study adopts descriptive analysis using secondary data.

To construct emergency facilities like hospital/shelter to restrict and combat the major COVID-19 on urgent basis and cater to the huge population in countries like China and India is a huge challenge. Indian healthcare facility relies mainly on the private sector, while other healthcare facilities are underwaters manpower, as well as an experience to deal with the epidemic. The number of patients is increasing amidst the lockdown, and every hospital in the country should be prepared to deal with the first pandemic in history. The

increasing number of suspected and confirmed cases has already outpaced the admitting range of the chosen medical facilities. We must devise and implement several strategies to adequately prepare for the service. It is important now to understand what drives some of the firms to be more ethical and socially responsible especially when resources are restricted and survival is under threat. (He & Harris, 2020) Also collective bottom-up initiatives would take time to surface but the power of individual efforts well should not be underestimated at all. Innovative firms in Japan which were born from such passionate individuals at times of crisis WW II made them famous.(Momaya, 2020)

### **Proposed Solution**

Engineered modular composite panels were used to construct the building, which saved huge time and decreased workload of the field operations. To meet rapid construction requirements building information model (BIM) technology was used to construct and design work. Also, data analysis on the unmanned aerial vehicles (UAVs) and artificial intelligence in engineering construction have been used. To achieve maximum efficiency, overall hoisting and on-site construction were carried out. Other high-tech technologies namely drone, 5G, and big data for rapid fabricated steel structured systems construction have been incorporated in the construction tools and equipment.

Wuhan City Disease Prevention Headquarters had zeroed upon in building L hospital in a span of fifteen days in January 2020. Wuhan's second hospital came up in place where their previous 2019 Military World Games (MWGs) athlete restaurant existed, to treat patients diagnosed with COVID-19, known as L hospital, in J Area. Designed by Z Architectural Design Institute, erected by China Construction Third Engineering Bureau as the general contractor and organized by the Wuhan Real Estate Group. It consisted of one thousand six hundred beds. Two H hospitals equals the capacity of the L hospital. Normally, a construction of this level can only be done in three to five years, where L hospital came into service in a couple of weeks.(Peng et al., 2020) During the peak construction time, more than 10,000 employees were engaged to build 1500 pieces of equipment and machinery. On February 4, 2020, almost more than 50% of the road hardening was completed, 96.5% of the box-type ward buildings was finished, the rest usable supporting rooms' bases like liquid oxygen units, liquid chlorine dosing areas, the positive and the negative pressure station houses, etc. were made, the construction of plumbing and machinery of the sewage treatment station was completed, and the waste incineration



station's structure was also completed. Approximately 7,906 construction workers, 1,025 building supervisors, and 1,491 number of excavators, cranes, and other machinery and equipment were brought into construction site. Tight time and heavy tasks were the biggest challenge for this construction. A construction area of 79,000 square-meters with 1500 beds were delivered in less than ten days. The yearlong construction was constricted into less than ten days. Thus, prefabricated modular composite buildings construction methods were proved to be inevitable.

Requirements for the construction of urgent service projects were more; the design and the construction time period were short since the conventional construction method was not easy to meet the peoples' needs in emergency. Top to bottom approach is followed in conventional civil construction procedures and are executed layer after layer. Once the roof is concealed, equipment, the enclosure structure, pipelines, etc. are completed thereafter. After the top and external walls are closed only then the interior decoration is started. Hence, it is often important to finish the ongoing processes before moving on to the next cycle. Concluding the construction takes long time, complicated preparations, and low flexibility. The construction and design methods of the prefabricated modular box buildings are not similar. It uses a room as the base unit and is not dependent in structure relatively. The error in dimension amongst the other systems does not affect the completion and the overall use of building construction. This is constructed in a parallel onsite, combining the usual serial processes. When the process is parallel, it reduces the time of the construction simultaneously. Hence these prefabricated modular box buildings are "light, good, fast, energy-saving, energy-saving and environmental protection."<sup>36</sup>

BIM technology has been sturdy. While designing a BIM model before construction a standard was needed before construction and during construction. The establishment of BIM model requires to follow the design of the structure size, parameters and the types of the materials as per the prefabricated building's requirements. The entire process of the construction of the L hospital however took only 12 days, from January 20 to February 1, 2020.<sup>37</sup> The construction process is divided into the given stages: leveling of the site

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<sup>36</sup> Marek Jablonski, Paul Timmers, Joseph Sarkis. "Sustainability in business models in the network economy", Electronic Markets, 2020.

→excavation of pipe trench and local backfilling →construction of site hardening floor → construction of the HDPE membrane → strip and shaped steel buttress, raft foundation construction → installation of the box house and the steel structure→ wall partition and the roof installation → installation and decoration of pipeline → installation of medical equipment and furniture commissioning.(L. Chen et al., 2020)

### **Schedule of the construction:**

The platform of KIM simulation classifies and saves the engineering information. The KIM model is used to call up the required knowledge, like window and door statistics, connector types, etc., and also provide the constructor with the processing drawings and the schedules as per the process of the construction of L Hospital.

Concurrently, a transportation plan of scientific importance is developed to assure the premade components reach the construction site on time. Fully using the BIM site model, a visual layout has to be achieved, and design of the construction site is judged so that it is reasonable, and the area of the material storage yard matches the desired requirements. It can view the site model's dynamic change information simultaneously in time according to the project schedule and adjust the unreasonable layout. After being put into use, the BIM intelligent system is used to monitor the medical staff's working environment in real-time, effectively enhancing the emergency facilities' management ability.

### **Recommendations**

L hospital is an interim medical facility to deal with such a major pandemic. First, obstacles of the heavy-duty jobs, quick time, and high design demands had to be removed. Secondly, during the construction phase, it got benefitted from the efficient coordination ability of design and the more refined lightsteel structure assembly modular building system. To complete the giant construction in a relatively short period of time BIM was handy in the whole process of design and construction, pre-simulating the design plan and construction plan, and using structural assembly modular construction technology.<sup>38</sup>As per design and development practice of the L hospital, the following recommendations are made:

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<sup>38</sup> [www.ncbi.nlm.nih.gov](http://www.ncbi.nlm.nih.gov)

(1) BIM technology facilitates an information interaction platform and various construction related information can be shared. Engineering design coordination can also be achieved. L construction model is enhanced by KIM, and hundreds of designers from across the country had collaborated to share information and jointly complete the model creation. Different design models were processed on the information interaction platform at regular interval, the interaction, combination of models, and collaborative design played a huge role.

(2) During the initial design phase, a 3-D information model was prepared using BIM software to understand the relationship between the building and the site, the site leveling, and the spatial positioning were performed as per the analysis results.

(3) The primary criteria of enhancing industrialization development of prefabricated buildings

are standardized design. Standardized production and regulated assembly must be attained using a standardized method. It was necessary to simplify the design process and coordinate the construction simultaneously. In the initial phase of design, clear communication had to be made to set the right expectation with the construction vendor in terms of the construction period, processing and transportation, human resources and equipment, material supply, on-site construction method, etc., so as to lessen the on-site adjustment hazards and modification.<sup>39</sup>

(4) To monitor the process of construction digital models, enable companies, using high-end technology like big data, drones, artificial intelligence, and 5G. Modular construction not only reduces development costs but also increases the construction speed by more than 50%. Productivity is increased as different construction tasks can be done simultaneously. Thereby customer gets a comprehensive construction model.

(5) Constructors of the L hospital studied the structural design of the X Hospital made in 2003. Thereafter, the function, scale, materials, and technology of the development had been further improved, and the level of industrialization of the assembly system accepted gets higher. The X Hospital is the fastest way to build medical facility which appears to be

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<sup>39</sup> Ibid.,

like a movable plank house, a way to cater during any urgent situation like epidemic. Study on these construction models equip us with the management tactics to handle such epidemic and urgent situations in near future.

Finally, to echo the inspirational words of Winston Churchill, “Success is not final, failure is not fatal; it is the courage to continue that counts”, we need the courage to face the brunt, willingness to face the fear, and ability to build and amplify resilience and rebuild our confidence and trust in global health systems.(Liu et al., 2020)

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## **Why do Health Insurance Policies not win the hearts and minds of the Middle Class? What will make them be insured? A Case study of the Indian Health Insurance sector.**

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### **Abstract**

India is a diversified country with a population of 138 crores. Not only the country is rich in its population, but India is also one of the fastest-growing countries in terms of economy. World economic forum indicated that India is estimated to have 80% middle-class families in the year 2030. A nation with a young workforce and environment for carrying out any business is perceived to be the most attractive destination for investments. While India is rich in a dynamic workforce and consumer-driven economy, still do not have a consumer-centric health insurance policy. During the time of medical emergencies, the majority of the people in India face OOPE (Out of Pocket Expenditure) which pulls them into poverty. Lack of awareness, lack of affordable insurance plans and low transparency in the coverage of diseases and claim procedures do not allow the middle class to purchase health insurance policies to safeguard the lives of the family during catastrophic timings. This case study is to give a solution for the middle class to overcome the OOPE spending and to lead a healthier and prosperous life.

*Keywords: Health Insurance, Catastrophic Health Expenditure, Middle Class, Out of Pocket Expenditure, Universal Health Coverage*

### **INTRODUCTION**

Health insurance is a financial coverage mechanism provided to the insured people during the time of emergency or injury (“Evolution of the Indian Health Insurance Sector: A Review,” 2020). The budget owed to health care of the people is very low when compared to other nations in the world. This makes the people make out of pocket expenditures (OOPE) during the time of emergencies. However, the government and IRDAI is taking all phenomenal efforts to reduce catastrophic spending by introducing affordable health

insurance plans. (Ahlin et al., 2016). The health insurance players in India facing multiple challenges in terms of misunderstanding of the health insurance segment, low awareness and so on. (Das, 2018). Approximately 39 million people were pulled into the poverty situation due to out of pocket expenditure. (Sriram, 2018) The out of pocket expenditure as a health care spending has got considerably reduced to 62.7% in the year 2018 when compared to 71.7% in the year 2000. Ayushman Bharat, an initiative to provide a UHC (Universal Health Coverage) to all provided access to quality health care in India. However, the coverage of Ayushman Bharat is not extended to middle-class people in India who were referred to as missing middle.

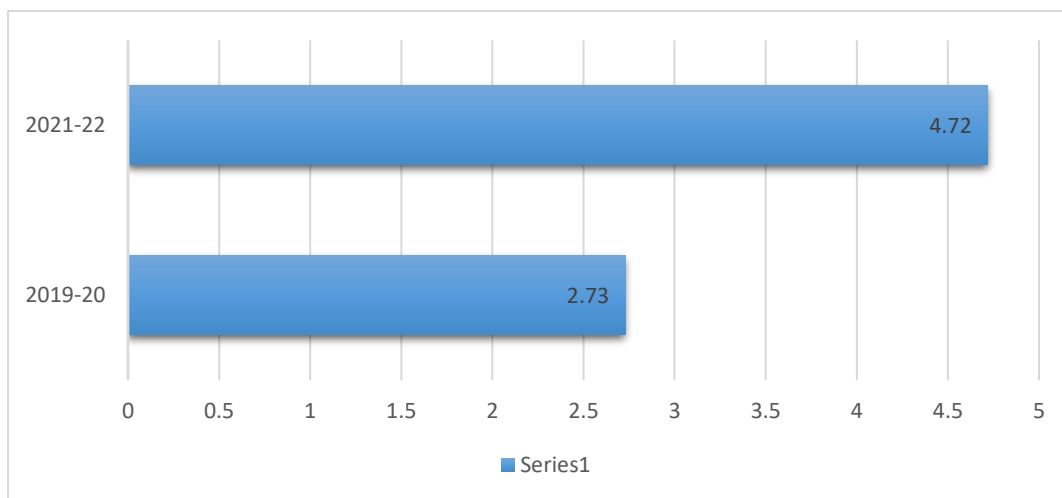
The missing middle is those who are not eligible for government-sponsored health insurance schemes and not rich enough to purchase the insurance provided by the private players. In the total health expenditure, a contribution from the health insurance policies is increasing, however with the low share. In contrast, OOP spending is higher in health care expenditure. (Hooda, 2020). The Health insurance sector need to have a competitive environment for enrolling the people and changes to be made in the claim and maintaining transparency. (ELLIS et al., 2000). There is a positive upward trend in the Indian Health insurance sector after the privatization. (Rath & Sahu, 2017). Good health is affecting the development of the economy. Health insurance enrolment is one of the integral parts of the effective health care management system. The work status, Annual income, awareness and health expenditure are the predictors for health insurance enrolment. (Yellaiah & Ramakrishna, 2012).

## **BACKGROUND**

Even though the Covid Pandemic Outbreak exposed its hard face to all the industries, the health care sector evidenced a shoddier hit. To achieve universal health coverage to all, the union budget 2021-22 introduced Ayushman Bharat, a centrally sponsored health scheme strengthening Primary, secondary and tertiary health care centres in the budget of 64,180 crores. The National health policy,2017 predicted to increase the government expenditure on health to the tune of 2.5% by the year 2025(Economic Survey,2021-22). The Health insurance sector in India is evidencing a good change by enrolling more people into the insured group. The statistics provided by the IRDAI is welcoming as the claim settling process is transparent and convenient for the insured people.

**FIGURE 1 HEALTH CARE EXPENDITURE OF INDIA ( IN LAKH CRORE)**

Source: Economic Survey 201-22



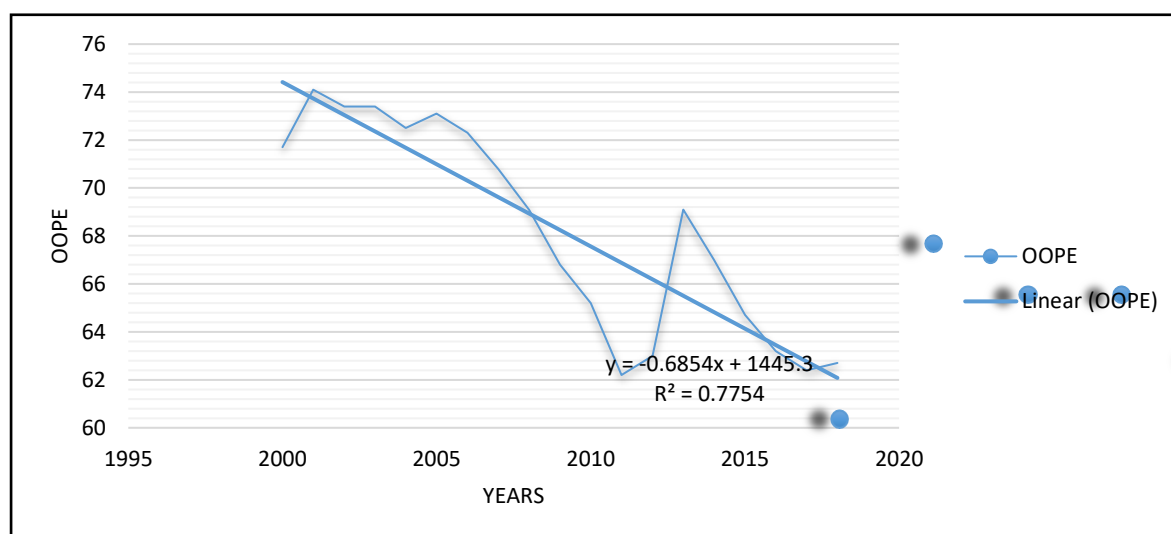
**TABLE 1 OUT OF POCKET EXPENDITURE AS A HEALTH CARE EXPENDITURE**

YEAR	OOPE %
2000	71.7
2001	74.1
2002	73.4
2003	73.4
2004	72.5
2005	73.1
2006	72.3
2007	70.8
2008	69.1
2009	66.8
2010	65.2
2011	62.2
2012	63
2013	69.1
2014	67
2015	64.7
2016	63.2
2017	62.4
2018	62.7

Source: World Bank



**FIGURE 2 OUT OF POCKET EXPENDITURE AS A HEALTH CARE EXPENDITURE**



The Out of Pocket Expenditure is getting reduced every year due to steps taken by the Central and State governments for covering the eligible population in the sponsored schemes. Many state governments are having state-funded health insurance schemes which cover the lower-income population who are found to be vulnerable during the health-oriented spending. From 71.7% reported in the year 2000, the OOPE got substantially reduced to 62.7% in the year 2018. Further, the Covid pandemic outbreak and lessons learnt during the year 2020 will increase the awareness for the purchase of Health Insurance policies and the same shall be evidenced once the report is released for the years 2020 and 2021.

**TABLE 2 STATE WISE HEALTH INSURANCE BUSINESS (EXCLUDING TRAVEL & PERSONAL ACCIDENT BUSINESS) FOR FY 2016-17**

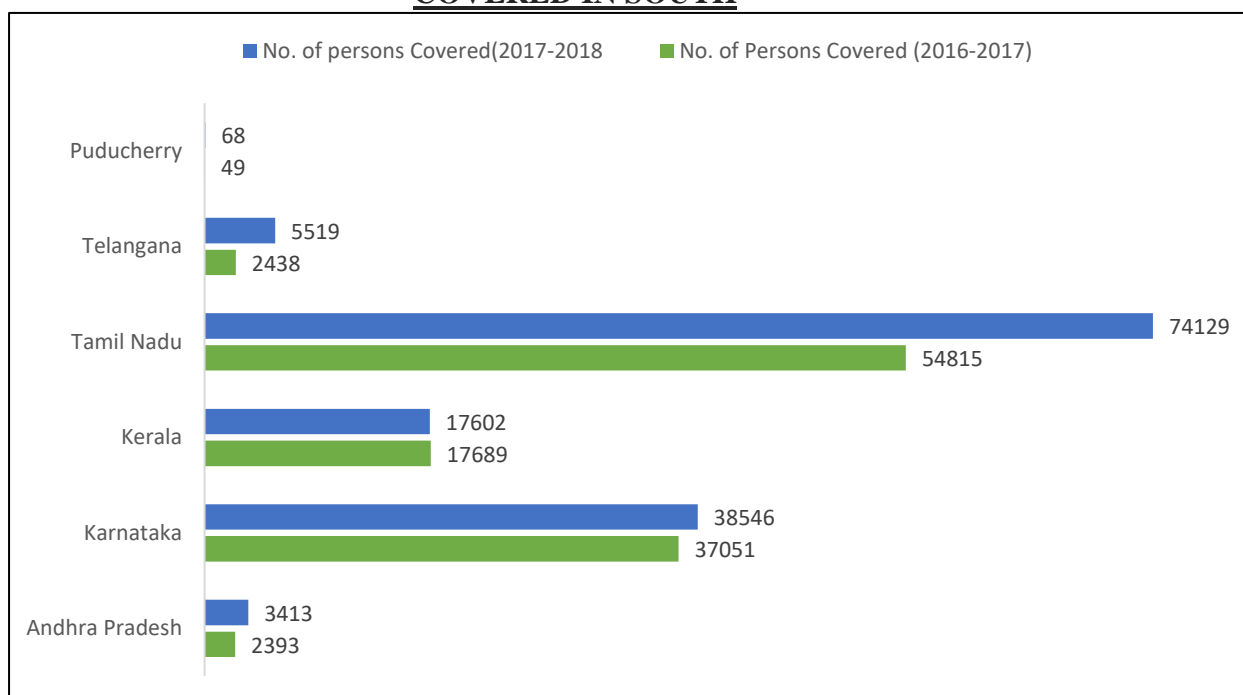
	No. of policies Issued	No. of Persons Covered (in'000)	Gross Premium	No. of claims settled	Amount of Claims Settled (In lakh)
Andhra Pradesh	323840	2393	57020	109677	41473
Karnataka	790523	37051	329903	764379	280282
Kerala	753460	17689	95825	858528	98640
Tamil Nadu	1025288	54815	386165	1350253	324771
Telangana	366404	2438	79801	224631	79859
Puducherry	15940	49	1782	4889	631

Source: IRDAI

**TABLE 3 STATE-WISE HEALTH INSURANCE BUSINESS IN SOUTH (EXCLUDING TRAVEL & PERSONAL ACCIDENT BUSINESS) FOR FY 2017-18**

	No. of policies Issued	No. of persons Covered (in'000)	Gross Direct Premium	No. of claims paid	Amount of Claims Paid(In lakh)
Andhra Pradesh	378443	3413	62454	113863	41591
Karnataka	888818	38546	365422	1208721	335888
Kerala	812507	17602	121566	1017237	99006
Tamil Nadu	1128535	74129	466874	1718871	364175
Telangana	464649	5519	117227	241591	76251
Puducherry	18478	68	2500	2787	1082

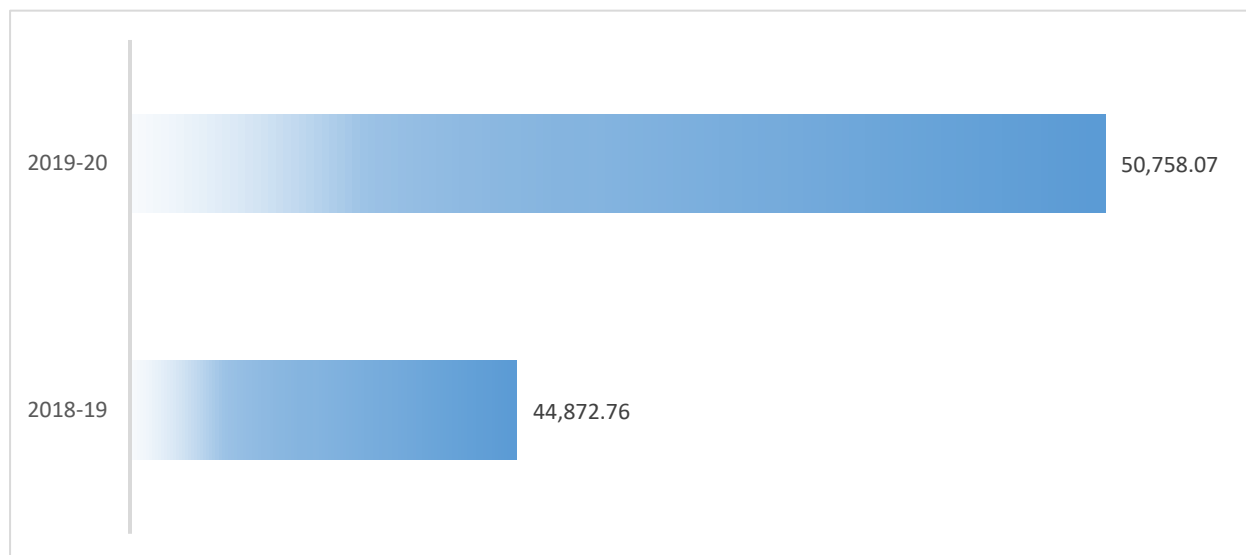
Source: IRDAI

**FIGURE 3 COMPARISON OF 2016-17 AND 2017-18 IN NUMBER OF PERSONS COVERED IN SOUTH**

From the report released by IRDAI, the Southern States of India is listed with the comparison of the years 2016-17 and 2017-18. The statistics show transparency and increased awareness about health insurance among the people. In Tamilnadu, a drastic increase is evidenced in the persons covered. When compared to the other southern states,

Tamilnadu is better in enrolment of the health insurance coverage. (See Figure 3). The health insurance premium underwritten by the general insurers has got increased to 50,758.07 Crore from 4,872.76 Crore in the year 2018-19. (See Figure 4)

**FIGURE 4 HEALTH INSURANCE PREMIUM -UNDERWRITTEN BY HEALTH AND GENERAL INSURERS ( In Crore)**



**Source: IRDAI Annual Report 2019-20**

### **Problem Statement**

NITI Aayog released a report titled “Health Insurance for India's Missing middle” in October 2021. Approximately 30% of the Indian population are not covered under any insurance schemes. With the rising cost of accessing quality health care and uncertainty like Covid 19 diseases spread,” Health insurance” is the only mechanism to decrease the OOPEx spending and poverty. In India, the participation of retail consumers in the health insurance sector is very poor and need consumer-centric health insurance plans for increasing the enrolment rate. (Thomas & Sakthivel, 2015) A broader penetration of health insurance and inexpensive insurance plans are highly needed. (Gupta, 2020) NITI Aayog reported that through Ayushman Bharat (PMJAY) a scheme for UHC, the bottom 50% of the people got covered by the plan and got financial protection for health. Through Private voluntary and social insurance schemes, 20% of the high-income population got covered. The remaining 30% of the population who are not having any voluntary insurance schemes and are not eligible for government schemes are called "Missing Middle". The people who belong to the missing middle, are more vulnerable during the health-related shock, as many of their employees are from the unorganized sector. However, a major portion of the missing middle population in Urban is working as Professionals, Semi-formal and

Managerial cadres. Insurance companies are in a need to develop innovative comprehensive health insurance plans which should have a dual benefit of low claim ratio and increased enrolment for the health insurance plans. (Kumar & Duggirala, 2021). Private Health insurance players shall fill this gap by bringing good health insurance plans for the middle class.

### **Proposed Solution**

The Middle-class segment who do not have Health Insurance plans are highly-priced sensitive. Even though NITI Aayog provided various strategies for improving the enrolment ratio, this case study proposes the solution uniquely for having health coverage through private and government-sponsored plans. Why Health insurance? This question should be answered and addressed to the missing middle segment effectively. Many people in the country are having confidence in their fitness and strongly believe that they will not be affected by any diseases or will face a situation for surgeries. Even though the positive attitude shall be appreciated, it will be often risky. We do not know what will happen in our life. Human life is subject to uncertainty in terms of financial and health-related aspects. We discussed in the above sections about the health insurance which reached the lower- and upper-income groups of the country and the middle class is eventually missed. The voluntary insurance schemes don't reach the hearts and minds of the people because of their absence of affordability. A 14k to 15k of family insurance schemes were found to be a huge denomination for the middle-class people and they don't want to be covered as they believe that they are physically fit. This scenario needs to be changed. A Win-win situation needs to be brought. A carefully designed comprehensive health insurance is needed to cater for the needs of the middle class. The middle class can pay from 4k to 5k for a year and that too flexible EMI is good for them.

### **NEED FOR A COMPREHENSIVE PLAN**

The private players of insurance shall take this opportunity to engage the middle-class people for the health insurance enrolment. A comprehensive plan with the price range of Rs 4000/- shall be worked. This will cover the people for Rs 11 per day. The coverage shall be focused on the out-patient benefits for the first 2 years. The covered people shall be given 6 to 7 OPD claims per year. The cashless OP consultation will give a seamless experience to the people. Earlier research says that those who effectively go into the OP consultations will have reduced catastrophic spending. This will work. When people

frequently consult the doctor about their health issues, the earlier the diagnosis, the health risk will be low. This will bring preventive care in front. However, insurance policymakers should assess the risk mechanism as the claim ratio is very important for health insurance providers. Before enrollment, a free medical checkup will help the health insurance providers to assess the risk.

### **AWARENESS CREATION**

There is low awareness among the people about health insurance. The middle-class people should be made understood that they are "Helpless" during emergencies and the hard-earned money need to be spent during the time of catastrophe. People generally pledge their properties and gold for fetching the money which will lead to economically weaker in a few years. The statewide OOPE spending shall be highlighted and a documentary film or a video shall be prepared by IRDAI or the state health ministry. In social media like YouTube, Instagram and LinkedIn it shall be posted. In Cinema theatres and OTT Platforms, the documentary shall be mandated to be telecasted. Until the change cultivates in the hearts and minds of the people, this social change will not happen. An effort to improve the young people choosing ability of health insurance policies will give a significant effect on the utilization of the plans. (McLeod & Adepoju, 2018)

While many people are interested to buy costly mobile phones and laptops, the health insurance purchase is still seeming to be worthless buying. This need to be changed. Celebrity endorsement shall be given if needed. The change in the minds of the youth will surely make the entire family be covered.

### **TIE-UPS**

Not only the private insurance players, but even the government shall also extend the medical coverage to the middle-class people by charging a nominal premium to them. Now the government is having a plan called "Ayushman Bharat which provides eligibility for rural and urban families based on various criteria. A new health insurance plan shall be introduced by the government in tie-up with the private players. A premium of Rs 4k to 5k shall be charged annually in flexible EMI's with support from the government and regional rural banks. The premium shall be paid by the banks and the EMI with a nominal interest shall be charged from the people every quarterly from their account. The coverage and other operations shall be carried out by private insurance companies. This will become true by adding many small clinics and hospitals into the cashless networks. The enrolment

should be mandated through the state government authorities. The model will work well. When OP consultations are done, the lower will be OOPE.

### **MANDATING THE HEALTH INSURANCE**

We can see many professionals working in urban areas have not been covered under health insurance. We may take the teaching industry as an illustration. I hope a few portions or major portions of people who work in private institutions are not covered under these schemes. The Group coverage shall be mandated to the institutions by the policy-making bodies like UGC, AICTE and the Ministry of Education. The group insurance coverage will surely give financial protection for health. In another way, those who work in informal or unorganized sectors shall be pooled through the state authorities. The state health care workers are having enormous potential to identify the people. During the Covid 19, state health officials and workers effectively worked together to vaccinate the people despite non-willingness, fear etc. School teachers, Government professors shall work together to pool the groups for ensuring via a flexible EMI through their bank account. Some sort of push is required to mandate the insurance plans.

### **ADVERTISEMENTS AND CLAIMS**

The private insurance sectors shall advertise effectively to enrol the middle class. The private sector shall tie-up with private banks for providing EMI facilities to the people. This will be an effective business model. The claims and cashless treatments should be seamless and simple. The complexity involved in the inclusions the exclusions of the diseases, low transparency are the other reasons why the insurance plans have not reached the hearts and minds of the consumers.

### **IRCTC MODEL**

We shall see that IRCTC provides insurance less than Rs 1/-. Even though the travel insurance and health insurance are not the same, the risk assessment and the economies of scale achieved shall be compared with the travel insurance offered in the Indian Railways. An opportunity shall be given to the insurance companies tied up with IRCTC to provide health insurance at a nominal cost on a trial basis.

### **RECOMMENDATIONS AND CONCLUSION**

The Government shall increase the budget for health in the years to come. The state government, central government and the middle class shall jointly fund to bring an intensive health insurance plan. A government should mandate, people should get awareness and the insurance players should work out a model. All three roles are required

for effective coverage. People's health should be given utmost priority as the country's GDP and efficiency is based on the expertise of the people only. The health status of the nation is affecting the economic performance of the country.(Pavlova & Sidjimova, 2017) The Intervention of the government in the policy decisions and improving the health care expenditure shall reduce the OOPe in India. Specialized funds shall be brought which shall be contributed by the companies as a part of their CSR initiatives.

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## EFFECT ANALYSIS OF DIGITAL AGE FOR PRINT MEDIA

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### ABSTRACT

The main objective of the study is to establish the impact of online media (e-Paper) on print media (hard copy) newspaper sales. As we know, earlier people use to depend a lot on the newspaper to know what is happening around them. People use to wait for the newspapers and even they use to carry it with them wherever they go. But as the technology took a drastic change, the smartphones occupied space in the market and the apps developed for the news. This decreased the interest towards newspapers. The study investigated how the advent digital media such as Facebook, Twitter, Instagram and other platforms has affected printed media(newspapers). The data is collected from in-depth questionnaires, which shows the drop-in circulation of print media to the younger sector of the Indian population. The era of the internet and digitalisation has revolutionised our ways of living. Everything we do is directly or indirectly connected to the internet from shopping, money transactions, entertainment, and finding new products and services. Digitisation and internet connectivity has taken over the advertising industry as well, giving birth to Digital Marketing. Digital Marketing or Digital Advertising involves promoting products/services on various digital mediums such as Social Media or Search engines. The youth in India prefers the interactive behaviour of the new media (social media) to reduce the time in accessing the news. Currently, the time spent by youth on newspaper reading has fall to half of what is was earlier. Although the older generation of readers still continue to by the newspapers.

### INTRODUCTION

The digital media and online news have become the inherent part of modern society. The presence of digital media and social media in particular, has posed a challenge to printed newspaper. Users are turning towards Internet for free news and information. The alternative source of news and information is much faster than the printed media. This acted as the best option for consumers to accept it globally. Moreover, the amount of information and news updated every few minutes is never expected to be enjoyed by the newspaper which comes only once in a day. One can easily get back to the same old news without any

struggle of storing newspapers in rack. Alternatively, the Internet could be used anywhere and anytime without wasting time to search for a single piece of information. It is an important achievement for Indian democracy that it has a free and vibrant media and it can be said that this is an asset for the country. Media also makes us aware of economic, political, and social activities at the national and international levels. Three major functions of media are

- To entertain
- To educate
- To inform

## **BACKGROUND**

The present research work is directed at the fulfillment of the following objectives:

1. To understand the current scenario of print media and digital media.
2. To identify the strengths of print media relative to digital media.
3. To understand the influence of demographic variables on the choice of media.
4. To identify the factors responsible for the movement from the print to the digital media.
5. To assess the future of print media in digital age.
6. To suggest to media houses ways and means to improve their present condition.

## **PROBLEM OF THE STUDY**

In this study, we try to find out the consumptions and likeness of media professionals in-depth and developed an insightful understanding of their outlook regarding digital media and its impact on print media. Therefore, the relevance of the finding of this research helps the media house to know the readers' behaviour about the newspaper. We have identified four states out of 29 states and 7 union territories in India. It was ensured that the sample is equally drawn from each district and it was divided into the same number of respondents from – Print media and Electronic Media The media houses accepted that digital media is having an increasing market share. I selected some parts of the country and come to know its backward and forward details.

## PROPOSED SOLUTION

Print media will not become extinct in future. There are a number of infrastructural and technological issues that will prevent digital media from over taking the Print media. It has also been found that people seek better and brighter future of print media because of presence of technological advancement. Attraction toward new technology, interactive feature, breaking news, news update, interesting feature, and time consuming are the factor for the movement from print media to digital media. Demographical factors are not the major factors of choice of media. Newspaper is read by all the respondents, of all age group, gender, income group or working area. Strength for print media is local language, its reach to remote area, best platform for local advertisement, its mobility. If we talk about challenge for print media, common human behavior (physiological) which is greediness toward new technology. Detailed news, reliability, fourth pillar of democracy, news presentation with calm nature, local news, its flavour match with morning tea, poor connectivity, local business support; all are the major key ingredients of print media. It's another major ingredient as we see in the remote areas where we feel internet connectivity is slow or weak. In same way digital media ingredient are instant updates, colour full and interactive interface and loud news presentation, bright, subscription cost is not effecting in its favour or against, without any interference subscription can join or leave. Its major enemy or weak point is poor connectivity in both rural and urban are because of government policies or because of dense population in India. In this changing environment of reading people like to read on digital platform like tab or big screen mobile phones. They are looking for quick updates or use their time when they have no work to do like travelling or in their bed. But in the same time the most annoying thing subscriber hate about digital media is pop-up window, advertisement, and multiple interactive windows. When you are in hurry these annoying thing make you irritate. This new generation grown up with new technology their level of use, interaction, dependency, use is totally different from our early generation, as this technology is new are the reasons of likeness it is just a status symbol. It was found that media jobs are challenging and hard job to do. We can see easily the working group of media professionals are young and males. It's a 24 hours shift job so difficult for ladies to participate in a same form as male do. As the media jobs are full of writing and speaking so this work and skill are developed with good education background and they are good in that as it's a young age group job so there is a minor difference in between married and unmarried professionals. With high in job competition company is not paying too much to

their employee. In the term of experience there we can see mixed group may be for reporting, marketing they hire young face and for editing and news presentation they go with experience group. Mostly all employees are loyal with their field they are not very much interested in shifting from Print to Electronic or vice versa. Media house hire all three form of employee in their line like contractual, temporary, and permanent. Both media type has their own weakness and strength with the outcome of this research work many new outcome will help both the media to make change in their standard of news presentation, genre, or many more area they where they have to make changes according to their subscribers, they will also came to know about likeness or dislikes by the subscribers about them. The study which is conducted on demographic variable, impact factors and rank points table findings are showing us the current situation or reading habits of the subscriber in the current scenario, when we are saying we are living in New India or Digital India. Analysis of variable provides or indicate us a sensitive benchmark to predict the reading behavior in this Digital India. The most favorable point for print media is power or presentation in local languages. Local business, politics, and events take a favor of this and present their material in newspaper. This is mostly liked by the subscriber. And help print media to survive. The most favorable point for digital media is interactive and colorful environment they present in the front of their subscriber. But the most important thing people like in digital media are breaking news and colorful interactive features with small videos. As per as demographic variable are concerned income, education, employment status effect the choice of media. Rest of the variable like age, gender do not have impact on the choice of media. Cost consideration, time, accessibility on mobile phone, updated news, level of interactivity, easy change of subscription, and creativity which are important and crucial in digital media and also a assumed to may have an impact on switching from print to digital media have been found to have no effect as such. It has been established with the help of chi square test. Print media pairs well than digital media on easy accessibility, detailed news coverage, better coverage in local language, suitability for local advertisements, overall satisfaction, and reliability.

## **RECOMMENDATIONS**

Finding of this research work will help the future researcher who wishes to study this issue in coming future. More elaborated and academic research work is needed on this topic. If the further research is conducted it will give clearer picture regarding impact of digital media effect on print media in different perspective.

1. A comprehensive study with larger sample size along with more states include in sample could be conducted.
2. News presentation manner or technique on website and application can also be conducted. This current analysis is a small step in this field. Finding provides the insight for future research.
3. A study of news portal, application on mobile device and online channel can also be conducted.
4. A study on interactivity option of application and online portals can also be conducted. With the help of survey method can also be conducted to develop socio-physiographic of the research sample units.
5. More specific subscriber's study of digital media consumers can give us clearer picture of digital media penetration in Indian.
6. A study can also be conducted to traditional readers what they like most in print media that they are not ready to change their subscription.

This study directly linked with the subscriber, followers & consumers of media, of print media and digital media. That's why we have chosen descriptive research because this research is directly linked with consumer taste & preference. This research presents the real data (Current situation) as it is the characteristics of descriptive research, what rather than why.

As it is the study of consumers behavior for media related product.

1. This finding helps the policymaker of both the media to made policies to increase their subscribers and followers.
2. These findings help the strategies maker to increase their reach in rural areas.
3. Findings of this study will help both the media houses to enrich their content liked by their subscriber.
4. Try to improve content regarding to culture, common issues, economical and be more trust worthy.
5. These findings help the media houses to know about the pros & cons of their respective media.
6. These findings help the media houses regarding advertisement & language advantages and disadvantages.
7. These findings help the digital media to develop content to work on low data speed.
8. These findings help the print media to in cooperate the media mix formula in their field.

9. These findings help both the media about their strength, weakness, and make the respective change according to that.

10. These findings help the digital media to know the current scenario of their market penetration and implement changes according to that and develop the Application in Lite version.

11. These findings help both the media houses as they know what customer want they can easily target their audience to expand their business.

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## **Corporate Social Responsibility act as a tool during Ethical Crisis: Case study on Coca-Cola**

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& Advanced Studies (VISTAS)

### **ABSTRACT**

Coca-Cola has steadily executed well during its lengthy business period also it has gained valued brand names on the planet. From 1999 to 2013 Coca cola has faced various ethical issues to achieve its economic goals, with reflected in decreases in the sales revenue, also most of the shareholder have lost the confident in the organization example Warren Buffet have come out from the Board of director post he is a gain investor for coke ,following this coca cola has faced several such ethical issues ,such as product safety, anti-dumping, pollution ground water depletion ,these problems where solved privately and some of the problems is solved through courts but during the course of these issues it lost its faith among stakeholders in order to address this coca cola has adopted various method 1) implementation of compliances system 2) company has vigorously involved themselves in social responsibility works the sole purpose is to learn from the mistake and to resolve it also to avoid future problems . The research will explore the strategy firm has dealt with to overcome it ethical issues it had during the crisis, also the research will explore the firm's usage of Corporate social responsibility communication as a strategy to connect the stakeholders

**KEYWORDS:** *Corporate social responsibility (CSR), Coca Cola, FMCG sector (Fast moving consumer goods), Ethical Crisis, Strategic Decision*

**ABBREVIATION:** CSR-corporate social responsibility, FMCG-fast moving consumer goods

### **INTRODUCTION**

Coca Cola With a market worth of \$173 billion one of the most well-known brand names in the ecosphere. The organization is always knee in three things to entice, satisfy, and hold customers, Coca-Cola products are now available in almost every country on the earth, reflecting the success of the company's global marketing strategy. Coca-Cola has long had sophisticated marketing and a reputation for excellence, which has aided in the worldwide adoption of the beverage.

However, organization is endlessly facing server crisis in different countries, in 2000 and 2001 company failed to get listed in top 100 fortune companies, 2016 Coca-Cola caused severe sugar scarcity in Venezuela a global business located in the United States, because the coca cola is manufactured ninety percentage with sugar there is lot of micro issues always wrapped around the coca cola but still there stronger Corporate social responsibility strategy always confronted the coca cola to bounce back ,recently coca cola ranked 93 in Fortune 500 and topic but compared to other country coca cola CSR is performing below average in India

**BACKGROUND**

Figure-1 Evolution of Corporate social responsibility in India



Source-Minister of Corporate affair official website

The brand Coca-Cola is introduced in the market during 1886, it is largest Beverage Company around the globe, and this brand major selling is Coca-Cola and diet coke along with this various acquisition is made by the organization such as, PowerAde, Minute Maid, and Dasani water. The main aim of the company is to capture the world demand for the product, it has world’s biggest distribution chain and infrastructure and entered every corner in the planet

The organization has faced various challenges from executive level to CEO level within the organization, during 1997 Doug Ivester was chosen as CEO, but he could not manage a business well during that time Pepsi co where heavy competitor because of poor



management decision it reflected heavily in business, so the business's previous chairperson Doug Daft, converted to CEO in 2000, after daft replacement there is a huge improvement in the business later in 2008 Mr Kent became organization CEO and he took major decision like women posting for 23% of Coca-senior Cola's management roles; that figure has since risen to nearly 30%. Currently Mike Suco is going to become Companies CEO

**Figure -2 Coca cola India CSR spending during the FYI 2020-2021**

S.No.	CSR Project(s)	Development Sector(s)	State	District	Project Amount Outlay	Amount Spent
1	Coca-Cola India Foundation - Ensuring environmental sustainability	Environmental sustainability	PAN India	NEC/ Not mentioned	135,500,000.00	135,500,000.00
2	Water, Agriculture and Recycling Initiatives	Environmental sustainability	PAN India	NEC/ Not mentioned	7,000,000.00	7,000,000.00
3	Swachhta Hi Seva Campaign	Special education	PAN India	NEC/ Not mentioned	1,375,000.00	1,375,000.00
4	Employee Volunteering Policy ? Give India	Education	PAN India	NEC/ Not mentioned	377,000.00	377,000.00
5	Employment enhancing vocation skills ? Parivartan	Vocational skills	PAN India	NEC/ Not mentioned	319,000.00	319,000.00
6	Economic well-being of the farming communities and to improve yields and propagate judicious use of natural resources	Environmental sustainability	Uttarakhand	NEC/ Not mentioned	18,640,000.00	18,640,000.00
7	Economic well-being of the farming communities and to improve yields and propagate judicious use of natural resources	Environmental sustainability	Maharashtra	NEC/ Not mentioned	9,620,000.00	9,620,000.00
8	Economic well-being of the farming communities and to improve yields and propagate judicious use of natural resources	Environmental sustainability	Tamil Nadu	NEC/ Not mentioned	151,000.00	151,000.00
9	Pirangut Waste Management	Environmental sustainability	Maharashtra	Pune	1,331,000.00	1,331,000.00

Source –CSR Official portal

## THEORETICAL BACKGROUND

CSR should act as a prevention more than cure, doing corporate social responsibility is one side but making the customer awarness is another side for success of the business, therefore study adopted a Morsing and Schultz (2006) established a framework of CSR communication strategies based on stakeholder theory (Freeman, 1984), with the goal of including stakeholders as aspects of corporate strategy formulation, which might provide organizations with competitive advantages. The **stakeholder information strategy** (a one-way strategy in which the organisation communicates with its stakeholders only in one

direction), the stakeholder **response strategy** (Asymmetric two-way communication model. The company sends out communication to its stakeholders, who in turn send communication back to the company), and the **stakeholder involvement strategy** (Companies engage in interaction with stakeholders, attempting to influence but also being impacted by them) are the three strategies.

**PROBLEM**

In 1996, companies stock equity price under \$50 a share. In 2022, the price ranged from \$60 to \$69.00.

This sluggish progress can be linked to both internal and external factors, such as top management changes and significant investor departures. Table 1-Situations of Coca-Cola’s reputation crisis

SNO	CRICIS	EXPLAINATION
1	ENVIRONMENTAL ISSUES	Coca cola has confronted difficulties at its bottle manufacturing and ground water reduction. The environment council body (CSE) the council body after testing it revealed that it is not conducive to consume because it has a level of pesticides because of using unfiltered groundwater ,but Coca cola denied that it uses proper filter for its product and it undergoes proper research team for quality check before reaching to consumers hand ,but this issue took a toll on sales percent about fifteen percentage .secondly again in india Varanasi coca cola has issue in poisoning the groundwater by releasing the unwanted chemicals later this issue was solve by installing new pipeline underwater, then in Kerala also coca had an issue in water depletion but this is solved by involvement court

2	DISTRIBUTORS PROBLEM	Coca cola faced problem in various issues like environmental issue, legal issue, stakeholder issue, under that one such issue is distributor issue in 2006, 44 coke manufacturer who is named as coca cola enterprises is sued for selling PowerAde beverage variant directly to store rather than going through Walmart warehouse who has a contract of two years, this was a main issue because this is a tradition followed for manufacturer by more than a century
3	DISCRIMINATION BASED ON RACE	Coca cola was accused with racial discrimination between blacks and white in giving compensation and promotion, blacks was getting lesser compensation and pay of rupees 26000 dollar per year than whites so two thousand employees together jointly signed the case file and sued for discrimination
4	UNION PROBLEMS	Another serious issued faced by coca cola is Guatemala and US issue,eight employees in Manufacturing unit is killed during the year 1989 few other employees have also got life threads at US Manufacturing sector ,this issue where taken lightly by the organization later employees in Guatemala sued the organization .which caused a major brand reputation , claiming that they and their families had been exposed to violence as a result of their decision to join unions.
5	COMPETITIVE PROBLEM	In 1999 Coca cola launched there branch in French since the time of launce it had done a massive extension beyond the needs of the customer so French government has banned the purchase of Orangina brand by coca cola in order to eliminate the Monopolism also French government ordered Coke to withdraw the acquisition of Cadbury Schweppes and Dr Pepper

6	IMPURITY	In 1999, approximately thirty Belgian youngsters were unwell as a result of ingesting Coca-Cola products. Coke took a long time to respond to the matter, which generated a public relations disaster.
7	ANTI DUMPING	Coca cola is claimed for Anti-dumping of products, the organization rigorously extended its wing with one goal in mind ,which is to create a demand for their products and reach every corner in the planet so the organization has sent un ordered items to wholesalers ,later this issue is taken to court and coca cola got sued for anti-dumping

**PROPOSED SOLUTION**

Coca cola faced an issue for seeing a racial discrimination among employees, employees together filed a case and campaigned to boycott the product later to resolve the issue it consoled the employees by increasing the salaries and given good compensation among employees .Coke decided to contribute \$50 million to charity that cares minority-serving programs as portion of the racial discrimination claim settlement. Recovery from moral turbulence

Coca-Cola established an ethical and compliance division in reaction to SEC's conclusions about Anti-dumping, and the business is obligatory to authenticate quarterly that it has not changed payment conditions or provided special credit. In addition, the corporation pledged to collaborate with overseas bottlers to limit the amount of concentrate they hold.

Regardless of the fact that Cola's in India caused in a little drop in sale and ongoing protests, the organization claims to have taken steps to confirm security and quality. Coca-Cola has established rainwater-collection facilities around India in collaboration with local governments, NGOs, schools, and communities. The Major goal is to revitalise and return all groundwater. Besides, the company is narrowing up its Industrial unit necessities and collaborating with local communities to protect the long-term capability of water resources. As a result, Coca-Cola has been recognised for its corporate social responsibility efforts in areas including water protection, management, and community development.

The state of Kerala has established legislation allowing individuals to sue the firm for damages. Coca-Cola "over-extracted" groundwater and improperly disposed of mud, conferring by the authorities which causing harm to the atmosphere and local people. Coca-Cola has denied the judgement, claiming that studies have failed to demonstrate a link between the company's bottling processes and environmental damage.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES BY COCA COLA**

To improve its business, the corporation has launched a number of social responsibility projects. The enterprise's core convictions in the market, workplace, community, and atmosphere guide these endeavours. As mentioned in the organization's Mission and Vision & Values statements, Coca-Cola intends to "Stimulate Moments of Optimism" through its products and deeds, according to statements.in addition to adding value and making a positive influence in the countries where it operates business. Coca-Cola, for example, has teamed up with Madeleine Albright, the former US Secretary of State. And Walter Isaacson, President and CEO of the Aspen Institute, on a project to help entrepreneurs in Muslim-majority countries.

Coca-Cola also provides funds to a variety of colleges and universities around the country and around the world. Coca-Cola also offers Sponsorship to many universities, which includes 30 tribal colleges that are members of the American Indian College Fund. Such activities serve to improve the Coca-Cola brand, which benefits shareholders in the long run. Every year, the Coca-Cola Research Foundation brings 250 new Coca-Cola researchers and brings them to Atlanta for interviews.

Coca-Cola has also taken initiatives to help women entrepreneurs in its supply chain become more empowered. The company's 5by20 initiative, which includes vocational training, funding, interacting, and other supports, reached approximately 300,000 women by 2012. In South Africa, for example, the company organised a women's entrepreneurship training and worked with Techno Serve to give farmers with pest and infection control proficiency. By 2020, the enterprise wants to reach 6 million female entrepreneurs and operate in 100 countries.

Coca-Cola have took steps to strengthen local societies on a national and international level. For example, Coca-Cola's brand collaborated on the Sprite Spark Parks Project with Miami Heat star LeBron James. Sprite has pledged \$2 million to the construction or renovation of approximately one fifty basketball courts, athletic arenas, community areas,

and playgrounds in at least fourth locations. In terms of its worldwide duties, the corporation continues to take a proactive approach to challenges such as Africa's HIV/AIDS prevalent. Coca-Cola has teamed up with UNAIDS and other non-governmental organisations to launch major initiatives and projects to tackle the HIV/AIDS epidemic.

## **CONCLUSION**

Coca-Cola has been fighting allegations of product health and safety, illegal competitive practises, racial discrimination and employee intimidation, channel stuffing, unfair distributor treatment, pollution, and natural resource pillaging for more than a decade, but under the leadership of Neville Isdell and Muhtar Kent, the company appears to be on the mend. Appears to have recovered and is making progress in improving its image. The business For example, is putting a greater emphasis on environmental responsibility.

Critics, on the other hand, argue that Coca-Cola isn't doing enough, and that its efforts are only window dressing to conceal its wrongdoing. For example, while the corporation claims to have resolved all of its concerns in India and is working to help the country's people, both the government and the people of Kerala believe that the company has depleted the area's groundwater. Over the course of the firm's history, shareholder attitudes have changed numerous times, yet the corporation has maintained a significant loyal following. Coca-Cola is hoping that its present leadership can steer the corporation past this ethical focus and towards a lucrative start to the twenty-first century.

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## **Garland for the worker on who's evidence: Indian ethos case study**

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### **Introduction**

The Politics in the organization can undo the spirits of an individual. The base such an activity is greed and in human treatment an individual can be forced to face. Human mind is complex so is the complexity is the rungs of ladder to the Power and staying there. This case study is about where the lines are drawn in an organization. Where the people are attracted to wards power and the peril of an individual employee is unheard like the flower in the desert. Whose fragrance goes unnoticed.

### **Problem**

Whether to blow whistle becomes a common question for bread winner. The individual employee would be called unethical if he succumbs to the behavior of seniors. If he blows whistle he needs a backup plan for working elsewhere.

### **Case study**

It was a consultancy famous for selling their product delivery in time. A new employee Aditya joined with a mentor at the middle management. Day one discrimination was, Aditya was denied social interactions, not to join in hands with employees who had mentors at top level management. Priorities were given to the ones who had mentors at top level management. The employee was a rebel, for the employee under junior level, Jagdish mentor was given undue weightage in organizing things. Jagdish was an utter mess unable to carry himself with emotions. He accepted himself to be a floor ticket person in a theatre watching movies. Highly talkative was Jagdish, not allowing the rest of the employees to work during the office hours. He did his homework at home and would talk during office hours about all his personal affairs and family stories. During promotion exams he took help from new employees who joined and cleared the promotion exams with better marks that too discussing answers loudly not letting others write their exams. There was no one to blow whistle as Jagdish had a senior mentor. The other hard-working employees including the new one were mocked upon as they had to work in the office and had family engagement during the non-working hours.



He was good at throwing rumors around and he effectively played his role against the new employee Aditya. The new employee Aditya was at his target not bothering the social impact he had to face in the organization. Since the mentor of the employee who was at middle level also learnt that his job and reputation in the organization was important, so he let down the one, Aditya to whom he was the mentor. If the supervisor has difficulty in determining what his subordinate is doing, then the responsibilities are not adequately specified to the subordinate.

### **Solution**

The employee Aditya was not frustrated as he knew the ways of an organization politics and the ways of the world. He joined in a MBA program and then PhD. The equanimity in his mind was from Bhagavat Gita which says” *sukha dukhe same kritva labha alabhau jaya jayaou thatho yudhaya yujyasvva naivam papam avapyasi*” (BG 2.38), consider the joy and sorrow as equal so also the sin and merit you would not incur sin. He cleared both degrees while working in such an organization and soon after that he left. The only reason he could survive was he satisfied his clients and concentrated on his work. He was given a garland on the final day. He was happy his head was spared when he left the organization.

If it was one of us what would we have done at that time?

### **Conclusion**

One can get pressure and sugar high working in such an organizational environment and wear a garland to the last ceremony or quit the organization. Aditya wisely chose upon the latter. Many a time organization are source of Political turmoil where in human activities are abundant and the employee for the sake of bread and butter succumb to its ways and leave the world.

In this case on the base of whose evidence the ill treatment was given to Aditya? Can he base his evidence against the top level management by blowing whistle and continue? There are top level managers who pinch the child and rock the cradle at the same time.

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## Case Study on Medical Negligence

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### Abstract

With the growing number of cases on medical negligence, various complaints on the basis of negligence from the patient side are filed before the consumer protection act before the consumer courts. There always exist vagueness or less opinions on the issue of whether doctors, hospitals and medical practitioners fall inside the extent of ‘service’ as defined in Section 2(1)(o) of the Act, with acknowledging patients as consumers and bestowing bureaucracy the right to approach consumer courts to seek compensations. With the landmark decision of Hon’ble Supreme Court on medical negligence liability, by subjecting the medical profession to the Consumer Protection Act. In a common man’s life ‘negligence’ may be seen as mere carelessness, but in the field of healthcare ‘negligence’ represents that the medical person has failed to exercise a standard duty of care to patients, which they were supposed to do. As medical profession in India, is considered to be one of the noble, oldest and most humanitarian one, people see doctors as second life savers next to God.

**Key words:** *Medical Negligence, patient rights, judgement, compensation*

### Introduction

The liability based upon the rule of conduct, “*respondent superior*” - “let the master answer” and “*qui facit per alium facit per se*” - “he who acts through another does the act himself”. An irregularity to this law is seen in the ‘borrowed servant doctrine’, in accordance with that hospital is not liable for acts of a physician when he/she is working under direct supervision of another hospital. In present times most doctors are hired as independent contractors and they are not employees of the hospital. A hospital cannot escape its liability by saying it only provided facilities and nursing services and so cannot be sued for the operation performed by a doctor who is not the employee of the hospital.

### Case

In this case of medical negligence, the complaint was filed by widow of Dr. X, against AAA hospital, Bombay, i.e., the opposite party 1. the deceased, patient Dr. X was 41 years old, was undergoing treatment as a private patient under Dr. M, a senior Nephrologist, since

2<sup>nd</sup> April 2019, and on the latter's advice, the patient got admitted in AAA hospital on 14<sup>th</sup> April, 2019 for various test and treatment for the upcoming transplant surgery. He remained as an in-patient from 14.04.2019 to 02.05.2019. Since the patient was already suffering from renal insufficiency and diabetes, dialysis was imperative for him. Although patient was discharged from hospital on 2<sup>nd</sup> May, 2019, and after that two dialysis were carried on 8<sup>th</sup> May, 2019 and 14 May 2019, the right arm with A.V Fistula was never used. But during the third dialysis on 18<sup>th</sup> May, 2019, used the right arm despite warning and caution by the patient. And within hours the right forearm doubled in size with swelling. Later, it was found that at the time when dialysis was carried on the patient doctors were not available to supervise. On reaching home from hospital, patient started experiencing uneasiness and inability to get down from car. He was rushed back to the hospital immediately. The duty doctor gave an injection and waited two more hours, for the admission procedures to be over, to treat him further. In the meanwhile, the patient, being a medical doctor himself, suspected that gangrene was forming and requested to amputate his hand. But the duty doctor instead preferred to put crepe bandage. Since gangrene was not managed in time, the decay of tissue eventually led to septicaemia in body resulting in the death of the patient on 20<sup>th</sup> May, 2019. Also, further enquiry by the widow of the deceased, revealed that patient was not shifted to ICU due to non-availability of beds and the same was not conveyed to them. In addition to this, the complainant was shocked to see the death summary, where the cause of death was mentioned as cardio-respiratory arrest but in reality, it was septic shock or septicaemia.

The widow of the deceased decided to approach the National Consumer Dispute Redressal Forum (NCDRF). To the contentions raised by the deceased family, the AAA hospital defended saying they only provided infrastructure and supporting facilities. But the NCDRF stated that if the delay was ably averted, the patient would have led a normal life for 20 years after the transplant as he had a donor ready for kidney transplant. The patient being a Medical Officer of the Primary Health Centre, under the government of Uttar Pradesh, for 15 years and he was expected to have bright career prospect. Due to his untimely death, his wife and three children were suffering loss, of his companionship and were left with no source of income. In view of this, NCDRF ordered the AAA hospital to provide a compensation of Rs. 1.3 crore, and to repay the hospital fee of 17 lakhs that was charged during his stay in the hospital.

## Conclusion

The above case clearly represents the negligence from the hospital, doctor and technician. Though a physician may not provide assurance to provide possibilities of saving their patient's life, he should treat the patient with the best interest by applying his skills and knowledge wherever it is required. Thus, it is suggested the specialist or physician carries out necessary test and to get all information and previous medical history of patient. In India, in majority of the medical negligence cases, hospitals have been held accountable for the services they provided rather than lack of services.

## Teaching note

This situation could have been avoided if the AAA hospital had paid immediate attention to the suffering patient Dr. X. rather than making the patient to wait for the beds in ICU, the duty doctors should have made arrangement to shift the patient to a nearby hospital and in first hand, information about the non-availability of bed should be informed to the patient's attender. And they should have heard from the patient, when he requested for amputation of arm, as the patient being a doctor, has diagnosed the onset of gangrene in his arm. Since this was not attended immediately, it resulted in septic shock leading to death. Apart from this, the hospital refused to take responsibility of the errors done by their duty doctors and in counter argument they denied being responsible for the death saying they only provided place for the tests on the advice of Dr. M, Nephrologist and they did not treat the patient. But according to vicarious liability which says "let the master answer and "he who acts through another does the act himself", it is justified that, AAA hospital is responsible for the negligent act done by their employees and the judgement given by Hon'ble Supreme Court should be accepted.

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## **Care to contribute to a sustainable world besides enjoying some chocolates, Kocoatrait could be the choice!!**

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### **Abstract:**

It's a rare scenario in this highly competitive world for marketers to promote their products keeping sustainable economic wellbeing of the society. Many theories such as circular economy, extended producer responsibility etc have been evolved over the years but to embrace them in real life business operations has been a challenge. The author here finds one such start-up run by a young couple and develops a case based on an interview with the founders of the start-up, Kocoatrait and examines the newspaper reports, their website and social media posts from time to time to deliberate how this company has made it big in business with the right use of social media during the pandemic. The author was impressed with the motto of the company and hence has used qualitative methodology to develop the case.

**Keywords:** *Kocoatrait, Zero Waste, Sustainable Luxury, Single Origin, Organic and Planet Friendly, Bean to Bar Chocolate, [circular economy](#), zero waste lifestyle, minimalistic living.*

### **Introduction:**

My eye widened as I read a recent post about the sweet taste of success of TN's bean to bar chocolate brand Kocoatrait published in the TOI on Jan 24<sup>th</sup>, 2022 by Ms. Nandini Sen Gupta. [Kocoatrait](#) is the one of the world's & India's 1st Zero Waste, Sustainable Luxury, Single Origin, Organic and Planet Friendly Bean to Bar Chocolate contributing to the [circular economy](#), by adopting zero waste lifestyle and minimalistic living, besides being an artisanal producer to new age customers who want more than a cookie cutter brand.

### **Background:**

“With the lockdown forcing people to look for both fresh and sustainable food brands this TN's bean-to-bar brigade has seen a significant increase in demand with online sales tripling conquering new customers, without having to spend merely a penny on advertising”, says Mr. Nitin Chordia, Founder of Kocoatrait. The vegan fruit, nut bars,

sukku, lemon-grass, lavender, panner-rose, jasmine, jaggery, red rose, mor milagai, masala chai and such other offbeat flavours with the use of non-refined sweeteners like desi khaand (khandasari) sugar, palm sugar, [jaggery](#) or [dates](#) etc seems to have done all the magic, shared Ms. Poonam, Co-founder of Kocoatrait.

“We sleep well at night being assured that we have cut no tree in our pursuit of offering Fine flavoured Indian single origin bean to bar chocolates to planet conscious consumers like you,” says their website. Unlike the modern day commercially driven chocolate marketers, the website of this start-up Kocoatraits looks sober and states things differently, starting with a disclaimer stating the initiatives of sister companies with a focus to address 5 specific issues of use of large quantities of water, use of deforested lands, zero child labour in cocoa farming, use of natural ingredients to keep the richness and goodness of the product, sustainable practises in packaging of the chocolates.

Being a certified chocolate taster Mr. Nitin Chordia and with his rich experience of being invited over by many manufacturers abroad. Their website has a link to “The chocolate tasting guide” which probably would make one more curious to read and taste / relish chocolates in a better manner. This rightly goes to prove that customer engagement through social media has worked really well for the brand positioning even during the pandemic period.

### **Problem statement:**

Consumers are becoming far more discerning. If communicating with these consumers would be the main challenge in future, a challenge also lies in measuring the “impact” of such communication from those who are theoretically “reached”. There has virtually been no looking back by the advertisers constantly trying to convince about their new products and additions. But the TV spots / print ads are too brief to provide much product information. The growing costs of producing these advertisements varying with the sets, special effects, talent, equipment, and crew necessary to pull off a simple concept, frequently challenge the use of the medium by the advertisers. Social media advertising serves good at demonstrating products. Scope for concentrated reach and reaching out maximum number of targeted people, being the objective of multinational advertisers, unleashes their tight budget towards world wide networking and localisation of brand publicity offering optimized economical packages of advertising. Given this, as a result

Social media advertising works best for products such as automobiles, fashion clothes, jewellery, food and beverages.

Media is a number driven industry and that is not likely to change in the near future. But, as the market matures, the focus will certainly change from “price” to “value”. There are sporadic attempts to educate clients and guide investment decisions on media, but those are not adequately supported with numbers. However, traditional television will still be evaluated based on numbers. Given that there is a universal agreement on “impact” versus “reach” – appropriate when half of consumer universe is not interested in watching the commercials / read the ads -- the numbers that correspond with the evaluation must also indicate such reality. Another way to measure advertising effectiveness is known as ad tracking. This advertising research methodology measures shifts in target market perceptions about the brand and product or service. These shifts in perception are plotted against the consumers’ levels of exposure to the company’s advertisements and promotions. The purpose of Ad Tracking is generally to provide a measure of the combined effect of the media weight or spending level, the effectiveness of the media buy or targeting, and the quality of the advertising executions or creative. The most common method for measuring the impact of mass media advertising is the use of the rating point (rp) or the more accurate target rating point (trp). These two measures refer to the percentage of the universe of the existing base of audience members that can be reached by the use of each media outlet in a particular moment in time. This becomes very useful when focusing advertising efforts on a particular group of people.

With the vast majority of businesses spending money on ads, a lot of time and energy has been poured into their optimization to ensure one can outperform their competitors, without making a battle of who has the biggest ad-spend budget. This is where AI-tracking shines. With the ability to read data thousands of times faster than humans, AI-tracking can take the ad optimization to a whole new level. By optimizing the ads using AI, one can significantly reduce the cost per lead and ultimately, make more money.

Social media marketing can be a long-term process, and for it to show dividends, one need to follow a plan. It can help one develop a strong organic presence and gain a reputation for excellence in a field. It also allows one to work towards their overall business and marketing goals. One of the biggest mistakes that businesses do is to share excessive promotional material. social networks are designed to be social – they were never intended

to be a marketplace for one to sell your products. The content has to be a mixture of informative and entertaining items, with a small percentage of promotional material added in. One will also need to like and share other peoples’ content. Most influencers know their audience well and create the perfect content to interest their followers.

Visual content is more than 40 times more likely to be shared on social media than other types of content. Top brands on Instagram report a per-follower engagement rate of 4.21%. That is 58 times higher than on Facebook and 120 times higher than on Twitter. 64% of customers are more likely to buy a product online after watching a video about it.

Audience attention spans as a collective are getting shorter and shorter. Many people simply don’t have the time or patience to watch a five- to 10-minute video without scrolling further down their feed. Becoming skilled in condensing the content down to 90 seconds or less is a great way to retain the audience’s attention, keeping them interested enough to not scroll past.

This is a big reason why Instagram reels and Facebook Thumbstoppers are so powerful — they’re short, entertaining and often an example of visual, short-form storytelling.

**Problem solution:**

On observation of the reports from the newspapers, magazines and the social media posts over a period of time, the author has arrived at the possible observations. Some of the important attributes of co-founders of Kocoatrait that has brought them business even during the difficult times such as the pandemic are:

**1. The differential brand positioning: The Chocolate is for Conscious Consumers!**







**cocoatrait\_india** Given that travels and hence conversations on flights have been restricted due to covid, this was one of the things (my polo T!) that helped start conversations during a recent flight (even while waiting for boarding actually). Frequently asked questions were:

1. Which chocolate do you taste (My answer was: All!)
2. You have a dream Job (My Answer was: I second that!)
3. Is this a profession? (My answer was: Yes! I am the proof!)
4. How much chocolate do you eat everyday? (My answer was: Depends on how much I get paid!)
5. How do you maintain weight. (My answer was: I have accumulated 10 kgs in last 7 years! - Gosh time to do something about it !!)

#cocoashala #chocolatetaster  
 #conversationstarters #kocoatrait #beantobar  
 #beantobarchocolate #beantobarindia  
 #beantobarchocolates #craftchocolate  
 #madeinindia #makeinindia #vocalforlocal

2. **Staying connected with the community** is essential, and most great brands and marketers know the best way to build a brand is to create a community behind it. Human beings crave significance, and that significance often comes from being a part of online communities.



18 likes  
**cocoatrait\_india** We leave some of the insides of our textured cacao husk wrapper blank to propel creative reuse. This beautiful piece of art by a sustainable consumer uses the texture of the paper to provide depth. We could not have been happier! It's not over until it's over. Reduce. Reuse. Recycle.

31 likes  
**cocoatrait\_india** A few words can make a big difference! And when the encouragement comes from a chocolate enthusiast, we are floored! Made our day! We need a booster like this every now and then!

Connection and community go hand-in-hand, so keep that at the forefront of your mind and marketing strategy.



38 likes  
**cocoatrait\_india** Reduce - Reuse - Recycle. This is what they teach our 2 children at school. Our diwali hampers this year dint have the usual suspects. The plastics, the glossy laminations, the plastic ribbons and the plastic tapes! We were inclusive with the printing and the palm leaf box. Happy and proud that we tried to make a difference and we did make a small difference. There is lesser waste to worry about and lesser guilt to handle!



29 likes  
**cocoatrait\_india** Out most inclusive chocolate offering yet! Your chance to support a host of communities while gifting chocolates. The highlights are:

1. The sustainable palm leaf box is made by M.Rm.Rm Cultural Foundation. They work primarily with local village women to revive craft, while at the same time providing them with a reliable source of income, exposure and a tremendous amount of confidence.
2. Kocoatrait chocolate wrapper is printed at V-Excel foundation which is committed to helping people with special needs fulfil their potential to lead positive, productive and rewarding lives.
3. The design on our 64% dark chocolate wrapper is dedicated to the LGBTQ+ community.

The writing is on the wall: Using organic ingredients and eco/planet friendly packaging is a good start but is NOT sufficient. Being inclusive and supportive of various communities is essential while aiming towards being sustainable.

Click to buy, gift & support:  
<https://cocoatrait.com/product/zero-waste-gift/>



47 likes

**cocoatrait\_india** Eco friendly, Sustainable, Planet Friendly & Zero Waste Gifting! Our Zero Waste chocolates now have a colourful & comfortable planet friendly house! Be it a birthday, anniversary, festive or wedding gifting or simply a gift for someone you love. Our colourful boxes are sustainable as they are made using palm leaves and provide livelihood to women in rural Tamilnadu. Whats more, they can be reused and most likely are going to adorn the coffee table or a cupboard of the recipient and remind them of you regularly! We hope you can support this effort and celebrate the planet during this festive season or any special occasion! Eco Friendly gifting options: Rs 1000, Rs 1500 & Rs 2000 delivered PAN India! (shipping extra at actuals). Contact 9600064846 or what's app for more details. Kocoatrait range is available at: [bit.ly/Kocoatrait](http://bit.ly/Kocoatrait)

### Upholding the CSR spirit and emphasising the same in every creative copy

An effective brand helps the product to get noticed, liked and remembered. Brand implementation means the continuous and consistent application of the brand's image in all business units, communication channels and media.

In an era where the consumers are driven by the attractive wrapper design, Kocoatrait opens its webpage with a line remarking: “Planet conscious consumers like yourselves have helped Kocoatrait save 200+ kgs of single use plastic wrappers from entering landfills till today! Select Free Shipping on orders above Rs 1000 during checkout!”. Kocoatrait chocolate wrapper is Upcycled using reclaimed cotton from garment factories and reclaimed cocoa shells (which is a byproduct of our roasting process) making it Biodegradable, Compostable and Recyclable. “Currently, 16% of the material (corners mostly) are wasted when we die cut. We pride ourselves on using the same wrapper size as the chocolate bar. We do not enclose a smaller bar of chocolate in a large wrapper to make the chocolate look bigger than it actually is”, as mentioned in their website.

With an aim to be an eco friendly and inclusive festive gift according to the season, Kocoatrait has curated "The world's most planet friendly gift box" highlights that

- \* 4,5,9 or 12 Kocoatrait Zero Waste chocolates made using organic Indian cacao beans with intriguing flavours (various sizes and price points available).
- \* Chocolate wrappers are Up-cycled using reclaimed cotton and Cacao shells that we generate during roasting of beans.
- \* Printing of chocolate wrappers done at V-Excel Educational Trust, Chennai which aims to support the inclusion of individuals with special needs.
- \* Eco Friendly Water based inks used in the printing. \* No additional branding/printing is done on the outer boxes.
- \* Housed in a specially designed sustainable and reusable palm leaf box made by M.Rm.Rm Foundation, Chennai which helps and includes traditional crafts women in rural Tamilnadu find their place in the economic mainstream.
- \* Planet friendly Starch based ink used in the boxes. \* Metal clips are not used.
- \* Eco friendly Paper tapes used for packaging. No plastic tapes used!
- \* Shipped across India using Bluedart Overnight service and No Contact Delivery.
- \* Chocolates wrapped in recyclable paper bubble wrap
- \* Delivered across India for the 1st time in a tree/paper free Bagasse (sugarcane) paper based outer box.

“With Kocoatrait, what you see is that you get! We make the chocolate zero waste by printing various consumer engagement ideas (like greeting cards, Bookmarks, mandala art templates and health trackers) on the inside of our wrappers. We first wrap our chocolate in a virgin and recyclable pharmaceutical grade aluminium foil and encourage reuse. It helps us save the chocolate from the temperature and humidity fluctuations better than most other materials laced with plastic. It does not have any lamination and hence is 100% recyclable. In fact, aluminium is the most recycled material in the world. We use only water based inks making it compostable, biodegradable and recyclable. Most of our printing is done at [V-Excel Educational Trust](#), Chennai which trains differently abled Indian citizens. While we do not want to over burden them with our work but they are our 1st go” writes Mr.Nitin. Further, “We have now made all our small sized e-commerce boxes as reusable and made with recycled and forest friendly paper! Our small boxes can be re-used for 5 different applications including Gift box, Desk Organiser & Mobile holder, Tablet Holder, Bird house and Plastic bag dispenser”, he adds. With no tree been cut to make use of any paper, thermocole boxes or plastic tapes, the company takes pride in marketing its bars!



This is in contrast to a finding done from a recent study done by the author, among 1000 respondents which included brand conscious consumers and active media users - 500 female and 500 male students between the age groups of 18-23, characterized by their occupation, pattern of purchase/ consumption of chocolates and media usage, study reveals that 81.2% and 82.8% of the female and male respondents were able to recognize their chocolate with its wrapper design and color. About 78% of female respondents and 81.2% of male respondents said that they would be able to recognize the Sub brands with the wrapper design. About 70% of female respondents and 61.4 % of male respondents said that they are familiar with all the celebrities/ad models who endorse the respective brands.



**514 views**

**cocoatrait\_india** Cocoa shell is removed from the cocoa bean before or after the seeds are roasted; it is considered a by-product of the cocoa industry that is usually underutilized or considered waste. Some studies and patents have been developed in order to give a nobler destination to this material. Interest in cocoa shell is due to its high nutritional value owing to the presence of a variety of biocompounds, such as phenolic compounds, dietary fibers, theobromine and a lipid profile similar to that of cocoa butter, besides its chocolate color and flavor. The availability of nitrogen lends itself to use in agriculture as compost.

As part of our sustainability efforts, with an aim to be zero waste and be an active participant in the circular economy model, we are now offering our precious cocoa shells (which, by the way smell heavenly good!) for home composting. We use these to upcycle our packaging material and do NOT offer this for bulk sales or use this in any of other edible products. Available in 100gms & 500gms retail packs in chennai. For delivery outside chennai, call us +919600064846 for details. Do lend us a helping hand and participate in the circular economy and make India atmanirbhar!

[#reuse](#) [#wastetoenergy](#) [#wastetowealth](#) [#reuse](#)

### 3. Strategic communication of the USP Striking at every opportunity and shouting out aloud:



34 likes  
cocoatrait\_india Alert: Femina Indulge Fest 2020

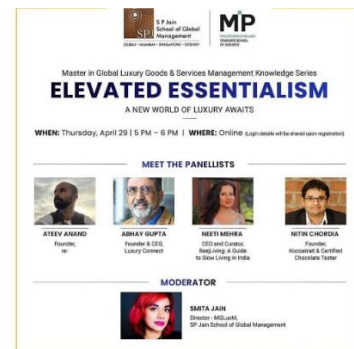
I loved the title "The New Willy Wonkas"! Watch/hear us discuss our inspirations and aspirations, what chocolate means to us, why we became passionate about chocolates while we demonstrate respect for each other's work! The fun question was: If we were to savour a chocolate other than from our own brand, which one would it be? Tune in at 4PM on Thursday 24th November 2020 IST to find out!

**cocoatrait\_india** The festive season, is usually a time to remind employees and their families about their positive contribution to the company's performance and growth. This is done by gifting them their favourite products and/or experiences. However, it is safe to say that nothing is the same due to the pandemic. We have noticed that pattern of gifting has changed too! We have heard many companies issuing electronic gift vouchers for the sake of convenience and choice. However, Kocoatrait was given a chance to innovate and help the management of 2 leading corporates engage with their employees/associates using technology during this festive season. Kocoatrait curated a unique diwali gift for 2 leading corporates by combining both our eco friendly product and the innovative live Indian bean to bar chocolate tasting experience! This also have us an opportunity to demonstrate the capability of Indian cacao to the audience.

This is feedback from our 1st Live & largest ecofriendly Indian Bean to Bar chocolate tasting / appreciation sessions as part of their Diwali gifts and team building activities. Our eco friendly festive gift boxes:  
<https://cocoatrait.com/product/zero-waste-gift/>  
Thanks & Regards, L Nitin Chordia, Co-Founder, Kocoatrait Sustainable India Origin Bean to Bar chocolates, Chennai.

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Thanks & Regards, L Nitin Chordia, Co-Founder, Kocoatrait Sustainable India Origin Bean to Bar chocolates, Chennai.



10 likes

**cocoatrait\_india** We have the privilege to join eminent personalities of the luxury world in discovering/discussing a trend that has caught speed during the pandemic as part of the knowledge series of SP Jain's Master in Global Luxury Goods & Services Management (MGLuXM) program. I represent Kocoatrait, the world's 1st sustainable luxury and zero waste bean to bar chocolate brand. Less is more! Honoured to be a part of a panel discussion which discusses minimalism in luxury. In the chocolate industry, for instance, it is a trend to use extra packaging to make a chocolate bar look bigger than it actually

4. Snowballing publicity: Reposts of hard earned publicity!!



32 likes  
 cocoatrait\_india The Art of Chocolate by Arun Janardhan. Published in The Mint Lounge 15th May 2021. The current state of Bean to bar chocolate industry in India is well defined. All our friends from the industry have been well quoted. Their outlook and perspectives make this a very interesting read! Read on: <https://cocoatrait.com/web-stories/bean-to-bar-chocolates-india/>

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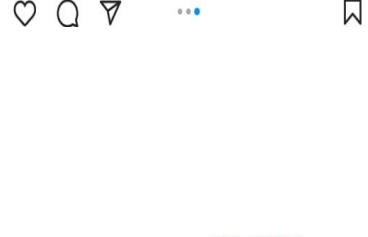


22 likes  
 cocoatrait\_india Pushing the boundaries of chocolate with Indian spices. This is a landmark addition to our existing collection. Shall be on offer soon! Details to follow. Thank You Shikha Shah & Times of India for featuring us in the PAN india edition during this festive season.



22 likes  
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#thespicecollection #kocoatrait #beantobar #darkchocolates #planetfriendly #sustainabledevelopmentgoals #zerowasteliving #zerowaste #sustainable #finechocolate



31 likes  
 cocoatrait\_india The Madras Collection featured on the front page of DT Next. Thank you madras!



66 likes  
 cocoatrait\_india A dive in by Vikram Doctor for the Economic Times Food & Drink magazine on how the humble south indian idly grinder made in tamilnadu is driving a craft chocolate revolution worldwide. Vikram's introduction of us saying "Nitin Chordia, whose company Cocoatrait both produces outstanding bean to bar chocolate, and advises aspiring chocolate makers" makes our day!

**Conclusion:**

**A brand that captures your mind gains behaviour. A brand that captures your heart gains commitment. - Scott Falgo**

Kocoatrait is a clear example of how Social media strategies together with right business objectives help to achieve the Increasing brand awareness; Achieving a set higher quantity of sales; Improving your ROI; Driving people to increase in-store sales and Grow the fan base.

**“It’s one small step for man, one giant leap for mankind.” - Neil Armstrong**

One needs to wait and watch the strides that the company would make in the days to come.

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## Sterlite Copper – Social and Environmental Issues

MJ Xavier

*Professor, Loyola Institute of Business Administration, Chennai*

### **Case Summary:**

Sterlite copper, a constituent of the larger London based Vedanta Group of Industries, was experiencing public protests from the day of its inception in 1994 in a small town called Thoothukudi in the South Indian state of Tamil Nadu. It is alleged that the company flouted the norms of the Tamil Nadu Pollution Control Board with regard to air pollution and water pollution. The judiciary, Government officials and regulating bodies have had a love-hate relationship with the company that saw several closures and quick come back by the company. The locals got agitated when the company announced its plans to double its capacity to make it the world's largest single location plant manufacturing copper anodes. Though the locals did not get the support of the main line media, they effectively used social media to mobilize people for a major show down. What started as a peaceful protest by hundreds of people swelled to tens of thousands of people on the 100th day of protest Sterlite copper. As the protest turned violent, the police opened fire on May 22, 2018, that resulted in the loss of 13 lives. This led to the Tamil Nadu Government ordering the closure of the plant in Thoothukudi and the Madras High Court staying the expansion of the second unit.

*Keywords: Environmental Governance, Industrial Growth, Stake holders, Regulatory Bodies, Role of State, Mass Violence, Politics of pollution, Corruption, Business Environment.*

Courses: Business Policy, Public Policy and Business Environment

Sterlite copper in Thoothukudi has been facing protests from local residents and environmentalist since its inception in 1992. The main contention by the locals was that the plant was polluting their environment as well as causing a range of health problems. The plant has experienced several closures in the past on the grounds of environmental violations. The agitations by tens of thousands of locals culminated in a march towards the collector's office in Thoothukudi on March 24, 2018 which resulted in the death of 13 people due to police firing to disperse the crowd. Within a few days the Tamil Nadu Government ordered the closure of the copper manufacturing Unit in Thoothukudi. What

can Sterlite do in this situation? What are the lessons for the administrators and the police? What implications it is likely to have on the industrial growth of the state of Tamil Nadu? What was the role played by the environmentalists and activists? There are many such questions that are being debated by the public in the social media.

### **About Thoothukudi**

Thoothudi aka Tuticorin is a coastal town near the Gulf of Mannar in the South Indian state of Tamil Nadu (See Picture below). Historically it is known as the Pearl City due to the pearl fishing carried out in the town. More than 25 lakh tones of salt are produced annually in Thoothukudi district. The weather conditions and heavy winds sweeping the salt pans in the region are conducive for salt production through evaporation of sea water. Basically, sea water is pumped into salt pans and allowed to evaporate. A large number of people are engaged in fishing and allied activities.

Thoothukudi has a natural harbor and serves as a commercial seaport for ships from Southeast Asian countries, Australia and New Zealand. It has always had good maritime trade in the region for several centuries.

The port has been one main reason for attracting several heavy industries like SPIC, TAC, HWP, DCW and Thermal power plant. Added to this several ancillary units have come up in Thoothukudi. The big industries like SPIC, TAC, Thermal plant and Sterlite got located here because of the ease of importing raw materials like coal, naphtha, crude oil, and other materials.

### **History of Sterlite in Thoothukudi**

Sterile copper is a business Unit of Vedanta Pvt Ltd, which is a subsidiary of London-based metals major Vedanta Resources Plc., with its headquarters in London. The plant in Thoothukudi is a 1200 tonne per day (400,000 tonne per year) copper smelter complex. It also included a refinery, a phosphoric acid plant and a sulphuric acid plant.

Originally the construction for the copper plant started on the 500 acres of land allotted by Maharashtra Industrial Development Corporation to set up a 60,000 tonne per annum copper smelter and associated facilities in the coastal district of Ratnagiri in 1992.

A year-long agitation by local people, fearful of the pollution likely to be caused by the smelter, forced the government to appoint a committee which found that such industries would endanger the region's fragile coastal environment. On July 15, 1993, the District Collector of Ratnagiri sent a letter to Sterlite Industries (India) Ltd asking the company to suspend construction work on the planned smelter.

That is when they approached Tamil Nadu Government and on August 1, 1994, the Tamil Nadu Pollution Control Board (TNPCB) issued a No Objection Certificate asking the company to carry out an Environmental Impact Assessment (EIA). The Ministry of Environment and Forests seems to have issued an Environmental Clearance on January 16, 1995 without even waiting for the EIA. On October 14, 1996, TNPCB issued the plant a license to operate with the condition that it develop a greenbelt around 25 metres of the plant and warnings that the license would be revoked if the factory operations contaminated groundwater or air.

### **The Polluting Chemicals from Sterlite**

The two major pollutants from the Sterlite factory are Sulphur dioxide (SO<sub>2</sub>) and Arsenic (As). The existing standard, set by the United States EPA (Environmental protection Agency) in 2010, is 75 parts per billion of SO<sub>2</sub> based on the 3-year average of the 99th percentile of the yearly distribution of 1-hour daily maximum concentrations. Short-term exposures to SO<sub>2</sub> can harm the human respiratory system and make breathing difficult. Children, the elderly, and those who suffer from asthma are particularly sensitive to effects of SO<sub>2</sub>. Inhaling sulfur dioxide is associated with increased respiratory symptoms and disease, difficulty in breathing, and premature death. A 2011 systematic review concluded that exposure to sulfur dioxide is associated with preterm birth. Sulfur dioxide emissions are a precursor to acid rain and atmospheric particulates.

SO<sub>2</sub> is a by-product in the copper making. Sterlite has put up a sulphuric acid plant to convert SO<sub>2</sub> into sulphuric acid. However, there is not much demand for sulphuric acid hence, it does not make sense to produce what cannot be sold. In fact, the 3300 Tons of sulphuric acid produced daily could not be sold easily. They even gave it free to the neighbouring SPIC plant that manufactures fertilizers. Interestingly, the demand for copper was so high that they did not want to stop copper production. Since the by-product SO<sub>2</sub> could not be converted fully into Sulphuric acid, it is alleged that they Sterlite copper occasionally let out the SO<sub>2</sub> gas in the atmosphere in the nighttime.

Compared to the US EPA norm of 75 parts per billion, Tamil Nadu Pollution Control board has set a moderate norm of 5 parts per million. By its own admission the SO<sub>2</sub> ppm levels have touched 1000 ppm on several occasions. One can understand the harmful effects on the health of the local public due to the SO<sub>2</sub> pollution. No wonder the people living in the nearby areas complained of various health problems, including cancer, and respiratory tract infections.

Arsenic (As) is an odourless and tasteless metalloid widely distributed in the earth's crust. When copper is separated from the ore, Arsenic will stay as a sludge in the copper smelter. This being a sludge it cannot be let out in the air or water. They are supposed to store them safely in metal containers away from sun, rain and other elements. But Sterlite has been storing arsenic sludge in an open pond and they have named it the 'cake pond'. When it rains heavily the pond fills up and overflows to the neighbouring lands. The dried cake is dug out from the pond and disposed in nearby landfills. Consequently, the water in the region got polluted beyond tolerant levels. In a report submitted by NEERI (National Environmental Research Institute) in 2015, based on ground water samples taken in the region turned out to be 100 to 300 ppm while the acceptable levels are only 10 ppm.

### **The Timeline of Sterlite Agitations**

October 1994: The foundation stone for the Rs. 1300 crore copper plant, proposed by Sterlite copper, was laid by the then Chief Minister of Tamil Nadu, Jayalalithaa Jayaraman. A controversial project that got had faced rejections in states like Gujrat, Goa and Maharashtra, experienced opposition from the local residents and they joined environmentalists to form the Anti-Sterlite Movement.

1996: The National Trust for Clean Environment approached the Madras high court to challenge the environmental clearances granted for the project by Tamil Nadu's ministry of environment and forests and the Tamil Nadu Pollution Control Board (TNPCB). In the meantime, the Sterlite plant received a license to operate from the government.

January 1997: The plant commenced operations, producing 391 tonnes of copper anode per day. Six months later, employees at Ramesh Flowers, a dry flower manufacturing facility next door, reportedly fell sick and are rushed to hospital. A month after that, workers at a

nearby Tamil Nadu Electricity Board sub-station complained of headaches and coughing due to air pollution.

November 1998: A report by the National Environmental Engineering Research Institute (NEERI), commissioned by the Madras high court, found that the Sterlite Copper plant was located within 14km of the Gulf of Mannar, flouting the government's stipulation that it not be located within 25km of the ecologically sensitive area. NEERI also found that there were gas leaks from the copper plant that made nearby workers sick, and that it had contaminated groundwater with arsenic, lead, and selenium, among other chemicals. The high court ordered the plant to close but a few days later modified its order to allow the plant to run while the NEERI conducts another study.

March 1999: Workers at a nearby All India Radio office were hospitalized after complaining of breathlessness and nausea. Despite this, the plant was given permission to nearly double its production to 70,000 tonnes per year.

October 2008: As protests and court cases against the plant dragged on, a study by researchers from Tirunelveli Medical College found a high prevalence of respiratory tract infections among residents living within a 5km radius. They attribute this to air pollution from a mix of gases and particulate matter.

September 2010: Over a decade after the National Trust for Clean Environment filed its case against the Sterlite plant, the Madras high court ordered it to be shut down, citing its violations of the law and heavy pollution. "The materials on record show that the continuing air pollution being caused by the noxious effluents discharged into the air by the respondent company is having a more devastating effect on the people living in the surroundings," its judgement said. Sterlite Copper appealed to the supreme court of India, which stayed the order within days, allowing the plant to continue production.

March 2013: Residents of Thoothukudi allege that there was a gas leak from the factory, complaining of coughing, wheezing, eye irritation, and miscarriages due to the effects of the toxic gas being emitted. Locals stage a demonstration demanding the plant be shut. The TNPCB orders the plant to be shut until further notice.

April 2013: The Supreme Court overturned the 2010 Madras high court directive to shut down the plant, but ordered a Rs100 crore fine on the company for flouting environmental norms.

June 2013: Shut for nearly three months, the factory reopened after the National Green Tribunal allowed the company to commence operations on the grounds that “no scientific data, analysis, etc., had been placed to show emission in excess of prescribed parameters.”

February 2018: The latest round of protests began after Sterlite Copper proposed to expand the facility and add a second unit in the factory. The company wanted to double its production from the current 4,00,000 tonne capacity. If the expansion comes through, it will be the world’s largest single-location copper smelter in an urban area. Beginning with around 250 people going on strike, the demonstration grew into large-scale protests with thousands from Thoothukudi and neighbouring areas coming together.

March 2018: Amid the protests, the existing plant was temporarily shut for scheduled maintenance. Subsequently, the company sought consent to reopen from the TNPCB. The request was rejected on the grounds that the company had not complied with the required environmental norms. Meanwhile, the anti-Sterlite movement gained momentum with multiple political parties lending support to the protestors.

May 2018: Over 100 days of peaceful demonstrations turned violent with the mob resorting to burning of vehicles and damage to property that led to firing by the police. At least 13 people got killed and several more injured as police tried to disperse protesters. The Madras high court, on May 23, stayed the expansion of the second unit at Thoothukudi, insisting that the company seek public consultation before taking on such a move.

### **Conflicting stands by the High Court**

In November 1998, acting under directions by the Madras High Court which was hearing a case filed by National Trust for Clean Environment in 1996, the National Environmental Engineering Research Institute (NEERI) submitted a study on Sterlite's pollution. The study found that Sterlite

- had failed to develop a greenbelt;
- was producing products it was not authorized to;
- had contaminated the groundwater with arsenic, lead, selenium, arsenic, aluminum and copper;
- may have tampered with the online air monitors;
- had caused gas leaks that hurt people in Ramesh Flowers and the TNEB office;

- had located itself 14 km from notified islands in the Gulf of Mannar, thereby violating the condition laid out in Consent to Establish.
- On November 23, 1998, the factory was closed for the first of many times by the Madras High Court. In what was to become a pattern, the factory remained closed only for a few days.

On December 1, a week later, the Madras High Court modified its earlier order and allowed the plant to run and asked the Nagpur-based National Environmental Engineering Research Institute (NEERI) to conduct yet another study. This was the beginning of a bonanza for NEERI. Between 1999 and 2007, NEERI received Rs. 1.27 crores worth of contracts for various studies, all of which uniformly defended Sterlite's operations and underplayed its impact.

After having indicted Sterlite on every count in its November 1998 report, NEERI submitted its second report on February 9, 1999, less than 45 days later that gave the plant a clean chit, with recommendations that the factory must be run at full capacity to conduct a Comprehensive Environmental Impact Assessment – a study that ought to have been conducted before the factory was set up. The study, which ought to have taken less than a year to complete, was submitted only in July 2003 allowing Sterlite to run at well past its full capacity in the interim. Where the TNPCB had limited production to 70,000 tonnes per annum, Sterlite manufactured 1,75,242 tonnes of copper anode in 2004.

On September 21, 2004, a Supreme Court Monitoring Committee (SCMC) team inspected Sterlite. The team found Sterlite's housekeeping to be shoddy and recommended that environmental clearance for the company's proposed expansion from 391 to 900 tonnes per day (300,000 tonnes per annum) should not be given. It also found that a number of plants that were listed as part of the proposed expansion had already been built. The Committee directed the Pollution Control Board to inspect and take suitable action under the various environmental laws if the company had indeed constructed production units without licenses.

On September 22, 2004, within a day of the Committee's inspection, the Ministry of Environment & Forests issued an environmental clearance to Sterlite for plants it had already begun to construct.

On November 16, 2004, TNPCB submitted its report. It confirmed that the company was engaged in unlicensed production. It had manufactured 1,64,236 tonnes that year against a permitted capacity of 70,000 tonnes. It found that an entire factory complex consisting of copper smelter, refinery, sulphuric acid plant, phosphoric acid plant, converters and continuous cast rod plants were in varying stages of completion. The Sulphuric Acid plant had been completed in August 2004 well before the Environment Clearance was issued and commissioned in October. None of these plants had any construction license from the TNPCB.

### **The fatal end to the Agitation**

Though the agitations against Sterlite happened on and off from the day of its inception, it assumed serious proportions when Sterlite announced its plans to double its capacity to 800000 tonnes a year.

What started as a protest by a small group of people went on for 100 days and drew large crowds of people from various sections of the society - farmers, local people, college students, housewives, salt producers, boat manufacturers, fishermen groups, insurance seller's union, trade organizations, environmentalists and activists. It is not that everyone was directly affected by Sterlite; but their anger was against the regulators and corrupt politicians and government officials.

The mode of campaigning too was intense with rallies, speeches by the politicians and social media campaigns. Initially there was no support from the main line media. However, the organizers maintained the tempo of agitation for 100 days.

On the 100th day, the agitation turned violent when a crowd of more than 20000 people marched toward the collectorate in Thoothukudi. The state government defended itself by saying that its actions - baton charge and firing - were taken under 'unavoidable circumstances'. It claimed that the march towards the district collectorate and the copper plant was with the intention of picketing them but later resorted to violence. "To bring the violence under control, under unavoidable circumstances, police had to take action. To maintain law and order additional police personnel were sent to Thoothukudi," the government said in a statement.



### **Unanswered Questions**

According to an FIR copy, it was Mr. Shekar, a Deputy Teashildar who gave orders to the police to shoot at the demonstrators. The debate among the netizens is whether a Deputy Teshildar has such sweeping powers to order shooting. What was the district collector doing when the incident happened?

Of the 13 killed, Tamilarasan, was the coordinator of anti-Sterlite movement, Snowlin, was coordinator of the protest at Madha Koil locality, Maniraj, was coordinator of Damodar Nagar locality and Gladston, was coordinator of Metupatti locality. It is alleged by the agitators that the police marked them and killed them at close range. Snowlin died by a bullet that went right through her mouth. With all four said to have been shot at in the head or chest, there is suspicion whether they were specifically targeted. When the police was supposed to fire below the knee level to disperse the crowd, it is shocking to see how the gun was targeted on the chest and head. How was it that in a crowd of 20,000 people, police could selectively kill the organizers?

Visuals of policemen atop vehicles opening fire pointedly targeting the protestors have emerged, lending credence to speculation that the firing was pre-planned. It is not clear as to whether these sniper rifles were really used to kill the agitators. Was it at all necessary to use such a sophisticated weapon to disperse unarmed people? Did the police use sharpshooters to kill targeted leaders? Was this police action a pre-meditated and a preplanned one?

### **What does Sterlite Copper say?**

Sterlite Copper CEO P Ramnath in an interview to Business Today said that the protestors were under the wrong impression that the plant is polluting. In fact, the plant has been operating within all the specified parameters for the last several years, he said. "It is currently shut down as it is under regular maintenance. So, all the more, there was no reason for them to start this and there was no immediate trigger also since the plant was shut down for maintenance. Therefore, they were incited into this by nefarious elements," Ramnath added.

The Chairman Mr. Agarwal is of the view that it was a false propaganda that had whipped up emotions of the local people. He felt bad about the unfortunate loss of lives due to the agitation and has also expressed his willingness to help those families. Since copper is an

important metal and India produces only 5% of the world consumption, we should give priority to copper production in India.

### **Supports and Opposers of Sterlite**

The main argument put forward in support of Sterlite is that the shutdown of the plant would cost dearly as it accounts for nearly 35 per cent of primary copper consumed within the country. Prices would rise and shortfall will have to be met with imports.

A section of people, particularly those working at nearby port and in transportation business, have reportedly opposed the closure as it could impact livelihood of thousands of people. Rajinikanth, actor turned politician, feels that agitating for every small issue would be harmful to the growth of the state of Tamil Nadu. Sadhguru, a spiritual guru in Tamil Nadu, says that India needs copper so we should not shut the plant. Else we may have to buy from China. Environmental norms could be fixed. The supporters paint a picture that it was the religious groups and the Marxist groups that were behind the agitation.

Mohan C Lazerus, a Christian evangelist with good number of followers in that region gave a provocative speech that gathered a large number of supporters for the anti-Sterlite agitation. The catholic church too has supported the locals. Fatima Babu, a local environmentalist interacted with Foil Vedanta founder Samendra Das, a non-resident Indian based in London, to get support for the agitation. Foil Vedanta is a London-based network targeting Vedanta allegedly for its 'human rights abuses and illegal operations'. Thirumurugan Gandhi, leader of the Naam Thamizhar party too gave speeches accusing officials of taking bribes and allowing Sterlite to function.

### **Business Perspective**

Since the plant shut down, India has become a net importer of copper losing precious foreign exchange. The Sterlite plant in Tuticorin was meeting close to 46% copper required in India. This has dealt a heavy blow to downstream copper products makers such as copper wire makers and motor manufacturers, for whom raw material cost makes for a lion's share of their total cost of production.

The closure of Sterlite copper has not only hurt the users, but also the 1,100 direct employees and about 3,000 contract labourers, and the contractors who supplied services

and products to the company. The entire ecosystem that thrived on one factory has collapsed due to the plant closure.

The management is trying to reopen the plant by fighting court cases and by persuading the local activists.

### **Issues and Concerns**

The Sterlite lock down has left several unanswered questions. Was the company at fault? Did they float the norms? Do we need greater teeth to the laws governing environmental pollution? What is the real damage to the environment as compared to the benefits that the country got by the Sterlite plant in Tuticorin? To what extent the claims of agricultural lands turning fallow or the health of the people getting affected due to the pollution, can be substantiated? Why did so many activists converge in Tuticorin to get the Sterlite Unit shut? Were there invisible forces supporting them from abroad? Is the police action in this case justified? Was there a failure of intelligence and handling of situation by the Government officials?

### **Discussion questions**

1. Carry out a social cost benefit analysis of Sterlite Copper in Thoothukudi.
2. Carry out a stakeholder analysis on Sterlite Copper. Include the management, locals, the Government, different political parties)
3. What are the gaps in environmental governance?
4. What led to the police firing that resulted in the loss of 13 lives? Discuss the Government View Vs Public view.
5. What are the lessons for the Government and Management of hazardous industries?

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## **Emotional Intelligence & Intrapreneurship as a Catalyst to Navigate a VUCA World**

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### **Abstract:**

The purpose of this case is to familiarise students with the complexities of ethical dilemmas - leadership, crisis management, emotional intelligence in a post-merger consolidation. The case details a conversation amongst four individuals: CEO, CHRO, VP – Business Development, and Sr. Manager Business Development. The case sheds light on how difficult it is for the reporting managers to handle retrenchment decisions. The case revolves around Abhinandan (name of the protagonist is amended on request to honour the privacy of the individual) is a real-life character, and the events spanned out precisely the way it is captured in an organisational restructuring leading to the merger of Century Textiles and Industries Limited, its subsidiary Century International, separately listed entities under BK. Birla Group of Companies and Aditya Birla Group. Questions at the end of the case facilitate the students to appreciate the organisational behaviour variables such as affinity bias, emotional intelligence, self-efficacy, psychological contract and intrapreneurship mindset. The case also provides practical lessons for HR Managers that some employees like Abhinandan look at such post-merger decisions with optimism and converts adversity into an opportunity.

**Keywords:** *Unconscious Bias, Emotional Intelligence, Psychological Contract, Intrapreneurship, Drive and Self Efficacy, Personal Branding.*

### **The Case Study:**

It was a Monday morning and warm sunny day in late winter of 2017. As I got into my car to go to work, I could feel a chill in my spine, something I had not thought about for a long time. It wasn't because of the temperature outside, as those days, I used to live in Mumbai – a tropical climate zone. I was supposed to meet Abhinandan in a few minutes. The million-dollar question that was going on in my mind was; how do I break the news to him? Having worked in leading corporations in senior roles for more than a decade, and now as Vice President – Business Development, I always felt control over my emotions. This was due to the fact that I had witnessed multiple business complexities to call myself a seasoned professional. However, today was different. I used to take pride in the fact that

my *alma mater* taught me most of the things about business, but not this! Honestly, after many years, I was feeling helpless. How do I break the news to Abhinandan? I have known him for a little more than five years now. A genuine guy, a good performer and an able manager, Abhinandan got married a few months back, and now, his wife is six months pregnant. Also, very recently, they have moved into a new house near my place and were planning a baby shower soon. All these thoughts rocked my placid mind while Abhinandan stood and smiled at me as I entered the gate of his house.

Mumbai (The Maximum City)– The city stretches for more than one hundred kilometres from north to south. The city flaunts high life and sea-facing offices towards the southern tip. But, these are only for a select few, as the cost of real estate is one of the highest in the world. Well, I know this as we were in the same business - Business of ‘Real Estate Development’, and that too in one of the classy locales of Mumbai. Most people here cannot afford to stay close to their work and commute for hours in trains and buses to reach the office. Thankfully, I had a company car along with a driver—one of the perks that come with a higher position in corporate life. But, as I kept thinking about my privileges and blessings, the mind gave rise to various negative thoughts! What if tomorrow it's my turn? After all, any Merger & Acquisition between companies comes with complexities and collateral damages, and I knew that very well.

My thoughts were disrupted by the sudden voice of Abhinandan, who greeted me with a smile and hopped into the car. I always believed in helping people by small gestures like offering a lift to co-workers at work. As a leader, I tried to be one of them rather than boss my way around, throwing my weight. This participatory leadership style has helped me manage large teams effectively.

Today, Monday, we had our regular weekly review meeting with all board members. Although I could conjure the possible outcome, still there was one person who could make that difference, and that was Abhinandan and his sales team. I looked at Abhinandan as he handed over the progress report sheets. I could make out that it wasn't very encouraging with one glimpse. I gave a stern look at him, trying to conceal my understanding of him and his abilities. I knew he was sharp, hardworking and meticulous, but performance matters the most when it comes to delivery. I could read his expression and hear him asking for some more time, attributing the reasons for the low growth of sales to the new RERA (Real Estate Regulations Act) norms and ‘Demonetisation’. We were

navigating in the aftermath of one of the most turbulent economic phases witnessed by the real estate sector in Mumbai and the entire of India.

That day in the office, the meeting didn't go well as expected. The merged entities were already overwhelmed and were reeling under the crisis of excess manpower and resources, a common aftershock of organisational restructuring, mergers & acquisition. Most of the roles had more than one executive onboard. It's been nearly six months since the organisational restructuring led to consolidation among its three separately listed subsidiaries. The initial idea of our Chairman was to find out ways to accommodate all employees, as they have been loyalists to the company for many years. But he knew that this could only be possible provided we grew rapidly and expanded our footprint into new markets. However, what we witnessed as an external economic condition (RERA and Demonetisation) was jeopardising any such plans. I very well knew we were on the D-day. In previous meetings, the managing committee/board members decided that if business growth stays impeded, we will have no other option but to hand over pink slips to a section of the white-collared workforce, starting this week. The verdict was finally out; we were asked to downsize immediately and communicate it to our respective teams.

As I silently walked out of the meeting room (boardroom), I could feel a hand on my shoulders. It was my CEO. I still remember those words, "You know what to do, it's hard to let go of your own handpicked people, but that's the only way to save the sinking ship. Try keeping it as humane and kind as possible. End of the day, they are our people, but sadly we have no other option". The next few hours passed in understanding the budget implications and going through the pre-decided list of 'retrenched employees', along with our CFO, CHRO and Vice President HR. Finally, I told myself, the time had arrived, as I entered the discussion room to meet my team to break the news.

The merger between the three separately listed subsidiaries of the group had happened nearly six months back. There was enough grapevine in the organisations, and most of the employees had an inkling to the fact as to what could happen to them. There were multiple positional replications in the hierarchy for each role. An obvious outcome of the post-M&A scenario made the company extremely top-heavy. Instead, most people were looking at moving jobs and were actively searching in the market. The external economic slowdown further aggravated the problem of job search too. I had reasons to believe, purely

as an employee myself, that most team members were mentally prepared for the worst and had already conditioned their minds.

As I addressed my team, I could sense an air of fear and uncertainty in that room. I tried to keep it as short and objective as possible, considering my CEO's inputs on empathy. I told them that looking at our company's financial position; the board has decided to let go of some resources. The company will be stable post the downsizing, and others (pointing at the folded list in my hand, containing the retrenched member's names) need not panic at all as this won't be repeated, and they are safe. Adding to this, I mentioned for the one's whose names are on that list, the company will provide a three months' severance package and a provision for deferred relieving in case the employee needs time to move between jobs. The company will try to accommodate them in due course, subject to vacancies and fitment in any other company within our group. Finally, it was told to all that the HR department would send an email to all those listed candidates, and they need to meet the HR team and me during the stipulated timeslot on a one to one basis. At the end of the meeting, I couldn't see the team eye to eye as I exited out of the room.

The next few hours were the most challenging part of my two-decade-long corporate journey. I had to meet 8 of my team members to hand them the pink slip while addressing their queries and listening to their exit interviews in an utmost empathetic way. Not all was smooth, and not all were nice during the process, but that was anyways expected from such situations as every individual had their insecurity and financially exposed liabilities to defend. Such obnoxious behaviour from some members was anticipated, and we were prepared for the same. Similarly, even though we had a policy wherein the retrenched employees could come to the workplace as usual, till they got a job elsewhere, as part of the CEO's vision of empathy and mental health; we were also prepared for the fact that none of the employees will be coming to work from the very next day. The reasons can be attributed to the fact of us handing over a cheque in lieu of the promised three months of salary and needing the time to search jobs elsewhere, leaving alone the understanding of disengagement that creeps at the moment an employee starts serving the notice period.

When the turn of Abhinandan came, we never anticipated it to be any different from that of others. However, we were in for a great surprise. He entered the room with a very positive body language and a contagious smile, maintaining eye contact and greeting us all. We went ahead with our usual paraphernalia and wished him the best for his future



endeavours. But what transpired next surprised us all. Abhinandan said that he had his apprehensions and mentally prepared himself like most others in the organisation. He further added that we would like to come to work every day for which he is paid for in advance unless he lands a job elsewhere. To me, he demonstrated courage and optimism in the midst of adversity. He also happened to check if he could use the Senior Manager's cubicle (His own cubicle in the office) to work or operate from one of the huddle rooms towards the office's exit, which was generally used for external guest meetings. This sensitivity of his was completely unexpected given the current scenario.

That day I was delayed at work and could see from my glass cabin, Abhinandan working and talking to clients on calls. He was his usual self as if nothing had happened. Under normal circumstances, I used to drop Abhinandan on my way back home. He had recently sold off his car to reduce his already high debt of the newly purchased house. Today I couldn't help appreciate his financial foresight and adoption strategy. However, I was a little unsure if I should have continued with my usual practice of giving him a lift or ignored him and moved on. It was a mixed feeling of guilt and vulnerability, as I didn't know how he would react outside the office premises when he meets me alone, in the confines of the car. However, on second thought about what my CEO had said earlier in the day, I decided to inform him that he could join me on my way back home.

The return was smooth, and when the car approached the gates of Abhinandan's apartment, I could see his six months pregnant wife standing below to receive him. I was speechless and wasn't prepared for this at all. She came to me and, much to my surprise, thanked me for giving them the three months' pay in lieu of the notice period and trusting Abhinandan and allowing him to use the office. She added that her mother was living with her, and they didn't want her to know about the chain of events at the workplace, as that can impact her mental wellbeing at an advanced age. Also, Abhinandan going to work will not invoke any suspicion in her mind too.

In the next five-plus months that Abhinandan spent his time working in my team, his energy, optimism and performance was at an all-time high, and he was always punctual at work, maintaining very cordial relations with all at the workplace as well as all external agencies that he used to deal with. As understood, and as part of the company policy, he wasn't paid beyond the initial three months of the notice period. Neither did he get any job confirmation from other companies. Upon checking with him, he told me that he is learning

new skills from some edutech platforms offering MOOCs courses. He was also regularly applying for jobs through LinkedIn, job postings in various job portals and networking with placement consultants. Most of these he did during off-work hours, and with his newly found skills, he was also able to value add to his style of working and could positively impact some of the interlinked cross-functional teams.

The lone case of Abhinandan had widely surprised all across hierarchy and functional domains in the organisation. The same was also seen very positively and appreciated by the organisational leadership team, who were no less surprised to witness this unique trait in the organisational context. The organisation used various psychometric tools for onboarding and assessing its employees. We were aware that Abhinandan had the traits of “High I and Low D” with respect to his DISC Profile (A Psychometric tool used to analyse human behavioural attributes). This trait of ‘D+I’ could justify his behaviour under normal circumstances, indicating someone who demonstrates dynamism, charm, goal orientation, determination and commitment and can quickly adapt to changing situations and pressure. But under the given adversity, even that failed to convince many seasoned leaders.

In the middle of all these events, Abhinandan kept a cool head and demonstrated very high levels of EI (Emotional Intelligence) both at work as well as home. His wife delivered a healthy baby too. After nearly six months, there was an internal job posting in another group company. The same was spotted by our CHRO. Looking at the tremendous changes in skills and performance of Abhinandan, he was asked to apply for the same. The CEO himself wrote a letter of recommendation for Abhinandan, and subsequently, he was absorbed in the administration team in Group Corporate Headquarters as Senior Manager Administration for the same CTC, and his pay was regularised.

### **Assignment Questions:**

1. What was the need for the Sr. Manager- BD to report to work after being handed over the pink slip?
2. Do you think the VP –BD could have saved the Sr. manager –BD from the retrenchment list. As the case narrates that both these executives had a good working relationship?
3. When the company was downsizing and had offered three months' pay, why did the company allow the Sr. Manager and others to come to work and talk to existing clients?

4. Do you think EI & Intrapreneurship traits and drive helped Abhinandan get back his career on track? Do you think his approach towards self-discovery and realignment to the workplace and innovative approach demonstrates a progressive mindset? If yes, what is the significance of these in his career?

### **Teaching Notes on Emotional Intelligence and Intrapreneurship as a Catalyst to Navigate a VUCA World**

#### **Intended Audience and Academic Level:**

This case can be used in undergraduate, graduate, and management development programmes in relevant courses, such as leadership, crisis management, human resources, organisational behaviour, and entrepreneurship.

#### **Teaching Objectives & Expected Learning Outcomes:**

By presenting the dilemma in the mind of the two company executives (the business manager and his subordinate), the case study facilitates in-depth discussion on multiple issues related to crisis management, pre and post-merger issues faced by employees, mental well-being, leadership traits, relating traits to psychometric tool analysis, emotional intelligence, avoiding unconscious bias, psychological contract, and loyalty at the workplace, intrapreneurship, self-efficacy, having an open and progressive mindset, building personal branding and the significance of staying relevant for enhancement of visibility in the organisation and industry.

#### **Introduction:**

The case is set in the backdrop of an organisational restructuring leading to a merger of multiple separately listed companies under the aegis of a larger entity – the group company. Incidentally, the industry captured in the case relates to the Real Estate sector. The timing of the case is such that it falls during the otherwise turbulent period of Indian real estate, caused due to Real Estate Regulations Act (RERA) and Demonetisation. One of the authors of this case, Saptarshi, was the Vice President – Business Development of the company in the discussion. During his tenure, the situation unfolded in front of his very eyes. Abhinandan (name of the protagonist is amended on request to honour the privacy of the individual) is a real-life character, and the events spanned out exactly the way it is captured in the case. The protagonist was asked to put in his voluntary resignation (captured as a pink slip in the case). Such procedures of asking the employee to put in a resignation request

are pretty common in the industry. They are done to camouflage a pink slip, which has negative implications for a candidate's future job search. The protagonist requested the company to allow him to continue working without additional pay beyond the salary offered in lieu of the notice period. After his resignation, he further continued his duties and enhanced his skills and productivity. This was a unique turn of events, and everyone in the organisation was surprised by this observation. Ultimately, due to the protagonist's continued loyalty, resilience, skill up-gradation and positive mindset, he was referred to another group company job opening, where he was finally employed back as a regular employee.

**Background:**

Century Textiles and Industries Limited and its subsidiary Century International were a separately listed entity and were under the B.K. Birla Group of Companies led by the legendary Mr. Basant Kumar Birla. At the time when Mr. B.K. Birla turned 90 years and lost his wife due to old age. He had to turn back to his already successful grandson and industry tycoon, Mr. Kumar Mangalam Birla, the chairman of Aditya Birla Group (A Group established by and named after Mr. B.K. Birla's son, Late. Aditya Vikram Birla). Initially, in 2015, Mr. Kumar Mangalam Birla was appointed as the Vice-Chairman of Century Textiles & Industries Limited. Subsequently, till 2019, there were multiple restructuring and M&A's in the various entries listed under the two group companies leading to changed internal dynamics and culture of both these groups.

**Problem:**

Today most of us are engulfed in the impacts of a VUCA world. The most critical aspect differentiating between one's success and failure is one's ability to A) accept the problem by responding rather than reacting, which is only possible with high levels of emotional intelligence. B) Demonstrating critical thinking to quickly innovate a solution and C) Execute it with agility and speed. In this case, the protagonist was in the midst of a turbulent phase that could have jeopardised his career and could lead to long term implications financially, socially and emotionally. However, he navigated through the situation with the correct approach and turned adversity into an opportunity.

### **Lessons Learnt & Proposed Solution:**

Sr. Manager, Business Development - All through the case was showcasing very high Emotional Intelligence and Intrepreneurship throughout the company restructuring process by not revolting against the management and the decisions made. However, he ensured that he finished his work in hand to leave the organisation on very high personal brand value in the eyes of his existing clients, the organisation, and the leadership team.

VP-Business Development – Showcasing traits of democratic leadership by demonstrating humanness as a leader, giving the team autonomy to perform during turbulent times, and keeping his Emotional Intelligence high on professional and personal levels by avoiding biases.

CEO – Showcasing the importance of emotional intelligence to the VP-BD and preparing him with the outcomes of challenging discussions. Also, he was not shy from making tough calls purely on an objective basis. However, he ensured that the decision should be handled with maturity and empathy, and every stakeholder demonstrates kindness rather than aggression.

CHRO – He was vigilant in the organisation's changing dynamics and the emotions involved while he kept a close eye on the opening across group companies and immediately aligned the fitment and informed the Sr. Manager - BD about the role, and completed the due diligence.

### **Recommendations:**

VUCA stands for Volatility, Uncertainty, Complexity, and Ambiguity. As the name suggests, these four parameters cannot be comprehended and planned. Hence, the conventional strategic management and planning models cannot be applied in such a scenario. However, one's ability to innovate with agility and speed can create an impact and be a differentiator. Traditionally, these attributes were linked to start-ups and entrepreneurs; however, with changing business culture and dynamics, organisations have taken cognisance of their otherwise inability to adapt to the change and have imbibed concepts such as SBU's, agile organisational structures, and nimble leadership. Under these new matrices, large teams have broken down into smaller teams and business heads and given much autonomy to function with agility, speed, and ownership with limited

resources. This style can also be related to intrapreneurship, demonstrating entrepreneur abilities within a large organisation.

### **Research Methodology:**

The case is derived from primary sources, based on ethnographic research methods such as detailed participant observations, face to face discussions and interviewing of all characters in the case and further documenting the same chronologically in a handbook for future reference.

### **DISC Profile:**

The protagonist demonstrates high I and D in his psychometric profile. People with this attribute demonstrate:

**Dominance (High)** - Responds to challenge, are independent & aggressive and objective & task centered.

**Influence (High)** - High on trust, gains energy from interactions and values contacts and linkages.

**Compliance (Low)** - Low on fear quotient and performs best without guidelines.

**Steadiness (Low)** - Innovative in approach and are high on emotional intelligence.

### **Teaching Plan:**

Pre-Session Activities - Watch Movies following movies

- The Pursuit Of Happyness (Release date: December 15, 2006)
- Waffle Street (Release date: September 24, 2015)
- Case to be shared beforehand, and students should be advised to reflect upon the case.

Session Activities –

- Group discussions in breakout rooms
- Combined class discussion, debates, and role plays
- Lecture by faculty on linkages of various HR&OB theories w.r.t. the case study

Post Session Activities –

- Student assessment by way of Q&A

### Assessment Questions & Model Answers:

1. What was the need for the Sr. Manager- B.D. to report to work after being handed over the pink slip?

Ans. In a VUCA world, it is paramount for professionals to be relevant with their knowledge and be in immediate recall. When the business had handed over the pink slips to the team, it was not just important for the Sr. Manager to be relevant in the industry before he could land up in another job, but it was also his drive, self-efficacy, and importance to his executive presence that made it more important for him to return to work and keep doing what he was doing and continue to do his best at it.

2. Do you think the V.P. –B.D. could have saved the Sr. manager –B.D. from the retrenchment list. As the case narrates that both these executives had a good working relationship?

Ans. It is very important to keep your personal and professional lives separate as a professional. To avoid any form of unconscious affinity bias, and since it was a business decision, personal influence in this regard would be counted as there is a certain bias by the VP-BD toward the Sr. Manager. Also, to avoid any form of pressure persuasion in the management decision taken after much debate and deliberation, any interference would result in imbalance and post in an internal uproar. It would damage the organisation's climate and question the very intent of the leadership team. Also, it would put the V.P. in a bad light as he would be perceived as an individual with low Emotional Intelligence and leadership skills. His own credibility as a leader would be at risk.

3. When the company was downsizing and had offered three months' pay, why did the company allow the Sr. Manager and others to come to work and talk to existing clients?

Ans. Company policies to address mental health for existing employees and employees on notice period. (Considering these employees were affected by the M&A and were not terminated on performance grounds).

Employees exiting the company are often thought to be the flag bearers of the organisation. Every organisation would want its ex-employees to talk good about the company and ensure that these exiting employees leave with a feeling of organisational empathy and support.

The retrenchment decision was a business decision that is often harsh and cruel, devoid of emotions. However, employees are human, with complex emotional structures, hence must be dealt with compassion. It is more in the implementation of the decision than the decision itself. To ameliorate the impact of the business decision and provide for a cushion to absorb the knee jerk effect, the company allowed them to work.

4. Do you think E.I. & Intrapreneurship traits and drive helped Abhinandan get back his career on track? Do you think his approach towards self-discovery and realignment to the workplace and innovative approach demonstrates a progressive mindset? If yes, what is the significance of these in his career?

Ans. An employer-employee relationship is a long-term cohesive bond that arises out of mutual benefit. The stronger the bond, the stronger is the propensity of the individual's commitment towards the organisation. This bond is often explained by the psychological contract theory (P.C.). This concept was introduced by *Chris Argyris* in 1960 and was popularised by *Levinson et al.* (1962). It is an unsaid commitment, agreement or perception of mutual obligation in an employee-employer relationship. A psychological contract is more a state of mind that obligates both employee and employer in an employment relationship to be committed, dedicated and responsible towards each other. This state of mind within an employee often restrains him from making hasty decisions and enables him to nurture a long-term relationship with the employer. In our curious case of Abhinandan, we witness such an unusual dedication and commitment in the face of a crisis. The sense of ownership and controlled E.I., the willingness to realign, and acceptance of business decisions result from the strong psychological contract he has developed with the organisation. The company allowed him to operate and continue in office until he found himself an opportunity, owing to the unsaid mutual agreement of psychological contract. The innovative approach towards such an adverse situation results from the sense of ownership and commitment, which is a manifestation of a strong P.C. Loss of organisational commitment is a consequence when employees feel that their organisation has failed to keep their psychological contract intact. (Guzzo et al.,1994). The traits mentioned above are the manifestation of P.C. These traits enable individuals to progress through the tides of the changing business world and organisation uncertainty. The ever-changing global business dynamics pose threats and opportunities to us all. However,



how to deal with it is a million-dollar question. Developing skills like controlled E.I., decision making, adaptability, and crisis management often helps us steer our way ahead of the tumult. However, it is equally important for an industry or organisation to survive and sustain the challenges of chaos and uncertainty. In modern times the greatest challenge is to retain a quality talent pool. The bond between employer and employee has been important, hence the need for psychological contracts and their adherence. The concept of P.C. has received immense popularity in recent times since it offers the reasons for the employee-employer conflict and proposes a way forward.(Herriot et.al,1995). Hence, the company must foster an organisational culture that would encourage the skills readily required for the individual's career progression and sustained organisational growth. In the case of Abhinandan, these acquired skills aided him to scramble through the crevices and reach the apex of success.

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## **Artificial Intelligence: A Boon or Bane for Human Potential and Labour-Intensive Economy- An Exploratory Study on Pandemic Ridden India**

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### **Abstract**

With the advancements in technology, organizations are increasingly embracing technology to keep themselves ahead strategically in comparison to their contenders. Organizations are adopting lean business system and they are continually experimenting and updating their business processes. HR systems have transmuted its modalities from intuition led system to a data driven system. Like any other changes, the exordium of AI into HR operation is withal being debated along the processes it is going to disrupt and withal, on the matter of possible abbreviation in manpower requisites in industries after implementing it at large scale particularly now or near future in this pandemic ridden society where mobilisation of big workforce is a major challenge. The aim of the paper is to study the extent of the utilization of AI in modern organizations, to comprehend the transmuting nature of future jobs in the context of the application of AI, to study the impact of Artificial Intelligence on the Labour-Intensive economy like ours and how it is affecting current human potential and job market. A qualitative mode of research is utilized to construct the paper. Data is collected from the HR manager through in-depth interviews. It is conspicuous that though industries are heavily utilizing the people-analytics for their various HR functions, AI is currently in its nascent state of utilization. AI is primarily being utilized for aptitude sourcing, on-boarding and employee engagement functions. The research explores the future emerging areas where, implementation of AI will be high, as well as it comprehends that more techno – HR people will be in demand to handle the HR operations.

*Keywords: AI enabled HRM, Talent sourcing, Employee Engagement, COVID 19*

## Introduction

The strategic approach to effectively manage employees and increase their performances in the organizations is Human Resource Management (HRM). Over the years it has served to remain an essential aspect in the existing companies. HRM helps organizations to achieve their aims, mission, vision, and goals by making them unique amongst their competitors and adopting innovative practices like selection, recruitment, compensation management, talent retention, performance appraisal and so on. Off late it is shifting from its administrative work and advancing towards work automation, robotics, machine intelligence, augmented intelligence that are entirely reconstructing the workforce characteristics of the organizations. Presently Artificial Intelligence (AI) is the most important word which is redesigning HR practices globally in every sector. It is an emerging technological tool which helps to improve employee performances and work productivity. One of the main purpose of emergence of this technology is to efficiently maintain large scale data and information by organizations, to help in effective decision-making, to access employee performances, avoid repetitive work and maximize organizational output. It is a part of computers which uses machine intelligence but behaves mostly like a human brain (Mokyr & Vickers, et al., 2015)<sup>14</sup>. It also helps HR personnel to automate their communications with candidates who are applying for jobs, screen candidates from the pool of application forms, conduct large number of interviews in a short span of time, efficiently recruit the right candidate for the right designation, provide performance feedback to all, providing on time training and development to employees and maximizing their work efficiency (Nun, 2019)<sup>15</sup>. A lot of research is continuously taking place on AI but till now it is not known whether it is advantageous or disadvantageous to our society. With the introduction of AI, people feared of losing jobs as dependency on machines increased at a faster rate. However, slowly, and gradually, industries and organizations started accepting it. Though, some people are still assuming that AI can threaten human potential because if too much machine work increases, human labour will gradually decrease, thereby resulting in loss of jobs. Thus, this paper will help to study the extent of AI utilization in the organizations and whether it is a boon or a bane for Human Potential and Labour- Intensive economy like ours.

## Background

In the present times, organizations which are still following traditional processes are facing challenges as emergence of new technology is spreading worldwide (Exiron, 2018)<sup>9</sup> The Human Resource Management (HRM) which is the pillar of any organization must immediately accept these new technological advancements and utilise them in their usual functionalities like recruitment, selection, employee retention, compensation management, performance appraisal, employee rating and deciding employee salaries and workers wages (Wall & Wood, 2005)<sup>20</sup>. With proper training and development HRM helps employees to increase their work productivity and attain the goals and objectives of the organization within a short span of time. Artificial Intelligence which was first introduced in the year 1956 by John McCarthy is an intelligence by Machine which acts like a human brain. It uses various algorithms which are installed in different AI tools and software which further helps the HRM personnel to ease their work (Netessine & Valery, 2012)<sup>16</sup>. It helps in work automation and prevent doing repetitive task thus helping HR managers to focus on other important areas where machines cannot play a role (Pickup, 2018)<sup>18</sup>. Organizations are run by employees who are expert and knowledgeable in their field. Thus, selecting and retaining these employees through proper recruitment process is important. The process of shortlisting from a pool of applications and selecting appropriate candidates for a job role is recruitment. With the application of AI, HRM will be able to conduct the process effectively and automatically, not having to do much of a manual task (Recht & Bryan, 2017)<sup>19</sup>. Skilled and experienced employees are selected with the help of Intelligent Screening Software; an AI tool which helps in analysing the rate of turnover. AI also helps to access a candidate's body language, answering skills, choice of words and personality traits during the interview process thus helping the HR team to make the final selection. It also helps them to provide individual performance feedback within the time limit thus making the process smooth and swift (Bondarouk & Brewster, 2016)<sup>2</sup>. AI also helps in providing training and development programs to employees in an effective way and helps to assess the training gaps, based on which suitable measures are taken (Chamberlain, 2016). Automation of work will have an impact on the workforce distribution and work timing of an organization. Uneducated and Unskilled workers are at a high risk in terms of work automation except where they need to perform extremely vital task (Abramovitz & David, 1996)<sup>1</sup>. When loss of employment will be minimized, workers will need to upgrade and transform their skills and knowledge as required.

As per recent research, sufficient jobs will be available if workers can upgrade and learn the new technological skills with proper training and development (Ball, 2010)<sup>3</sup>. However, the upcoming job environment may not be the same as before or may not be of the same type and thus workers will have to adopt to the new situation and adjust themselves to these challenges (Bessen, 2017)<sup>4</sup>. Occupations based on higher as well as middle level education both have tendency to grow in future (Broadberry & Wallis, 2016)<sup>5</sup>. Industries which use digitalised technologies have shown to bring positive changes in business as well as led to improvement in the work quality. Production outcome although depends on employees, workers, stakeholders, and government policies (Caselli & Manning, 2017)<sup>7</sup>. Production growth will be higher in the next five to ten years if AI applications are used judiciously and substantially. Although organizations may suffer a large amount of expense while investing in learning and training sessions for their employees but the after effect will be beneficial (Crafts, 2010)<sup>8</sup>. Organizations who start using this technology at an early stage will benefit overall. As advancements are taking place, the concept of AI is becoming popular in various sectors like Healthcare, Finance, Supply Chain, Agriculture and so on. AI software used in the agriculture and food production sector helps to provide sufficient food supply to the country thus promoting hunger- eradication. Farm View is one such example of AI which helps in managing crops and improving breeding of plants. A heat tolerant grain Sorghum in Africa is used in this case to meet food demand of the country (Elliott, 2017)<sup>10</sup>. AI software is also widely used in areas of transportation, advanced analytics, improved electric signals on tracks (Eurofound, 2012)<sup>11</sup>. Application of AI helps organizations to increase their level of productivity and profit and eventually these profits are provided as wages to workers and other employees (Evans & Schmalensee, 2014)<sup>12</sup> The profit is used in the work operations of the organizations and the output obtained is invested for more production which further leads to promotion of new jobs for employees (Fouquet & Broadberry, 2015)<sup>13</sup> This will have an economic impact of the country (Nedelkoska & Quintini, 2018)<sup>17</sup>. AI will help to grow and upgrade the Information and Communication Technology sector thereby making its contribution important to the Indian Economy.

### **Problem Area / Issues under Investigation**

1. To study the extent of use of Artificial Intelligence (AI) in the Modern Organization.

2. To comprehend the changing nature of future jobs in the context of application of Artificial Intelligence (AI).
3. To study the impact of Artificial Intelligence (AI) on the economy of the country with special reference to the job market.

### **Research Methodology**

The research on implementation of AI in different industries and its' effect on Job market are at a nascent stage. There is a dearth of literature. Hence, the paper followed a qualitative approach to have a better understanding of the research questions. The respondents in this research are the General Manager – HRs from different companies. Generally, these people are from the decision-making level of their companies. Hence, a narrative approach was adopted to have a better understanding of the research questions and comprehend their views regarding adoption of AI in their respective companies. The paper used secondary data from the journals, literature available in the websites to understand the application of AI globally and primary data from surveys to understand the level of AI adoption in the selected Indian companies and its future prospect. 14 Senior professionals from various sectors were approached for the interview out of which seven people gave their consent to take interview. Seven senior HR professionals mainly General Manager - HRs from various sectors viz. oil and gas sector, manufacturing, healthcare, construction, media, power and energy, retail, were interviewed to understand how they are using AI in their respective fields. A semi structured interview was administered to steer the discussion around the research questions. The respondents were interviewed over the phone and each respondent shared their stories. The narrations were then transcribed by online transcriber website otter.ai.com. The common keywords as prescribed by the website are as: Artificial Intelligence, Strategy, Learning, adoption. The extracts of the discussions are noted in the next segment of the paper.

### **Findings and Analysis based solutions**

#### **The application of AI in the organization**

AI is impacting every function and the modalities of business. For example, AI helps in managing various sub-stations in the energy plant which helps to study the amount of electricity load consumed or needed; power-consumption, system process through which

consumption is done and obtain daily workforce updates. It also helps to prepare forecasts and prediction reports and analytics of the operations, thus making work easier for the employees. The respondent from the healthcare sector expressed that AI helps employees to work better, provide fast and efficient service to clients, diagnose problems and issues, analyse cases and provides accurate information for specific problems. Agriculture and Dairy sector are also using artificial intelligence in their work process. AI is helping the employees to easily access the process, payment and make other operations smooth thereby preventing brokers from making money and helping in delivering products directly from producers to consumers thereby minimizing loss and maximizing output and profit of the business. One of the respondents also shared his organizational experience related to the AI application in the office canteen to reduce wastage of foods. The office canteen uses AI tools through which employees select the items and amount of food they wish to consume. With the help of a biometric automatic display of trays and coupons are provided; thereby preventing wastage of food. But the implementation of AI is not so smooth. It is comprehended from the interviews that to implement AI the initial step needed is a change of mindset to accept the technology.

### **The role of Artificial Intelligence (AI) in Human Resource Management (HRM)**

Like other business functions, HR as a business partner also adopting artificial intelligence in the HR processes. It was understood from the in-depth interviews that AI is being used in many areas of HR function such as: Recruitment, selection, performance management, employee retention, etc. AI is helping the managers to conduct smooth recruiting operations and conducting large scale interviews. AI helps in synchronizing the questions and analysing the answers, providing timely feedback, study the interviewees behaviour traits, choice of words, language, interest in the field, predicting a rate of attrition and helping in employee retention. AI also helps in performance management, employee engagement, proving training and development for employees, study the net promoters score, happiness quotient of employees; thereby increasing motivation.

As per respondents, the implementation of AI in various HR functions will be expedited with the current COVID situation. Organizations regular operations are being challenged in a big way as employees are now becoming remotely connected due to “lock downs” and there is a restricted use of employees on-site. Experts from the field of Human



resources, opined that in the current COVID situation, as most of the operations are performed online, the adoption and use of AI in various HR functions, is becoming obvious and essential. In the post pandemic situation, the use of AI will be more significant to balance between organization's reduced size in terms of manpower and efficiency in terms of result. The companies are now experimenting and embedding AI to do the mundane jobs for the HR department. It uses psychometric tools, helps in augmenting and automating work by selecting suitable resumes from the pool of applications, chalks out the previous companies the employee has worked in, helps in recruitment of employees, integrate multiple data, synchronizes behavioural competency of candidates, performances, employee retention, analyse the rate of success, helps to understand which employee suits in which position and study the rate of attrition of the organization. AI is helping the HR department to perform more efficiently and strategically by performing the routine and repetitive works in a smarter and more efficient way, and thus helping the HR managers to deliver service with speed, accuracy, and more bias-free way. It is evident from the responses that artificial intelligence can also help the HR managers to retain potential employees correctly predicting possible details, which creates grievances even at the individual level. AI tool helps to understand the gap between organizations and individual expectations and hence help HR managers to take measures. Thus, HR department gets more time to concentrate on managing other important areas where machines cannot play a role.

AI is helping the HR partners in augmenting and automating work, prevents repetitive and manual task and allows them to concentrate on building strategies for achieving company aims and goals within a short span of time.

### **The changing job nature and acceptance of Artificial Intelligence (AI) by the Indian companies**

Adoption and implementation of technology have never been easy. When computers were discovered and computerization of businesses was in force, people feared of losing their jobs and a huge resistance resulted in socially. But with time it is proven that it helped in increasing employment and changing lifestyles to a better one. Similarly, AI when merged with HRM in the modern companies is benefitting everyone in an effective way. People do not have much of a choice but to accept it, though most companies have already started

using the technology. The COVID 19 has expedited the work – from – home concept and has made the gig-economy a reality today. People and organizations are becoming more accustomed to the changing context with the fast adoption of technology. It was evident from the interviews that post COVID, organizations will be looking for more specialty skills and the forms of work – contracts are surely going to be changed. According to the respondents, quick adoption of technology and artificial intelligence, will help managers in better decision making and forecasting which is already been proven to be advantageous to the companies. After adoption of LPG economy, the IT/ ITS hubs in India are flourishing while other sectors are still at a developing stage. With the adoption of AI technology, these sectors will also bring in more productivity thereby increasing jobs for people. Another respondent mentioned how companies like Google, OLA, UBER, OYO have already adapted AI technology and with the help of its tools and software people are getting benefits in their day to day lives. AI will help to manage the workforce globally. AI will help the organizations to identify skills correctly, from a large pool of candidates. It will help the organizations to design competitive compensation packages and help the HR managers to integrate workforce across the world reducing the cultural and semantic barriers.

#### **The viability of Artificial Intelligence (AI) for a labour-intensive economy like India**

As per experts, AI is a viable long-term proposition, even for a labour- intensive economy like India. According to the respondents, the introduction of AI will benefit all stakeholders. It helps in work automation and upgradation. Adoption of AI will change the job nature and hence the requirement of skills will be different. HR managers have to predict the future requirement of skill sets and must take corrective actions by providing training sessions to employees for learning the new technologies, help unskilled workers to upgrade their skills and utilize workforce in operating these tools and software. Several respondents feel terminating employees can never be a solution be it in times of recession or in times of pandemic; rather they can diversify their work process and upgrade employees’ knowledge and skills that can be used efficiently for production and organizational benefits.

#### **The impact of Artificial Intelligence (AI) in the Indian Economy & Job Market:**

India is a labour-intensive country. The cost of implementing AI is generally huge. It is generally beyond the capacity of small and medium scale to implement the artificial intelligence at large scale. Our country is comprised of a huge number of blue collared workers who are less skilled

and less knowledgeable. So rapid and wide adoption of AI in all industries and in every organization, is not possible in this country. Adoption and implementation of AI will lead to transform our lifestyle, work culture and communication. Though the entire world is moving towards automation, India cannot resist its' implementation. But the country must plan wisely at macro level and focus on building future- skill sets among young workforces. Thus, industries and organizations must utilize these people by providing proper development and training for operating these tools and software. Employees must upgrade their skills to be able to work effectively and efficiently; thereby increasing the rate of employment. The country can create and implement the skill-based courses in collaboration with the academics and industries.

Adoption of AI in different fields will improve the operational efficiencies of the industries. It is understood from the discussions that AI and Robotics helps in augmenting and automating work, reduce manual task, prevent pilferages cybercrime, work repetition and maintain large scale data and information. This will not only increase organizational productivity and output but will also provide time to employees to concentrate on other vital areas where machines cannot play a role. Thus, it will have a positive impact on the Indian Economy and Job Market.

## **Conclusion**

The Artificial Intelligence and its adoption are still at their embryonic stage in Indian companies. With the adoption of such sophisticated technology, in one side, the organizations are dreaming of efficiency, higher productivity, better organizational performance whereas on the other side requirement of changing skill sets and decreasing manpower, creating fear among the mass, which results in hard resistance against the implementation process of AI. On the other hand, lack of expertise and high cost of adoption is also hindering AI to implement in the organizations. The adoption and implementation stage of AI vary from organization to organizations, as well as function to functions. While the marketing departments of several organizations are using advanced level of AI, there, the HR departments are using AI at the very initial stage. But it is evident from the above discussions that adoption of AI in business functions is inevitable and only it is a matter of time. With the COVID 19 pandemic this has become the utmost necessity for many organizations, particularly who works across the Globe. HR partners of the businesses are also adopting AI at a fast pace to do away with the mundane works and deliver efficient services to the stakeholders. It is understood from the discourse that the

prerequisite for a successful implementation of AI across the industries throughout the country, needs a concerted effort from industries, academia and Government.

### Questions for Discussion:

1. How has application of AI changed the HR functions?
2. How AI benefits HR function?
3. Is AI desirable in a labour-intensive country like India?
4. What is the limitation of AI in HR function?

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## **Tatva Consultancy Ltd. (TCL)**

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### **Abstract:**

A major information technology company was looking to transform their managers. The Managers needed to develop certain skills and mindsets to enable them to thrive in the changing environment. This requires a journey of transformation – of mindsets, beliefs, ways of working and skills. To realize this vision, it needed alignment across locations, functions and businesses. This challenge was amplified by the chaos created by the pandemic. The early research identified that to create a comprehensive transformation, there will need to be a paradigm shift in the processes, new technology adoption, ways of working etc. As these variables and the impact began to compound the company took a policy decision to outsource this transition. The company selected to manage this end to end was TCL. The case below describes the problem and challenges faced and how human behaviors were changing through this process of transformation. It is an interesting case as it captures the David and Goliath story of the power of small consultancy dealing with a giant client. As you read the case, do consider the following

What are the lessons to be learnt? What made TCL strategy effective?

What should be done in the future to make this strategy scalable? How to improve the delivery process?

### **Introduction:**

Some time back Ms. Sabitha Rajan (SR), Director of Tatva Consultancy Ltd (TCL) had sent the proposal to a large IT company, for their Managers Transformation Journey in their organization. She was surprised when early in the morning she opened her mailbox and found that TCL was selected. She jumped from her seat with happiness. She was wondering how a big client had selected a small consultancy firm. The challenge for her team was whether the team was ready to take on this expansive project in terms of managing stringent timelines, scale of operations, engaging with multiple stakeholders and importantly to the satisfaction of client.

**About TCL-** they curate bespoke solutions for clients. TCL focuses on offering solutions

in the area of leadership, developing high performing teams, client engagement, diversity and inclusion, 1 on 1 coaching and employee engagement. It takes pride in the belief that it is a small organization with big ambitions, with a vision to enable people to bring their best selves to work. One thing that has been constant in the 11 years of operation has been the belief - leave no one behind and that everyone has unlimited potential.... This belief has helped the organization to grow from a team of 3 founding partners to 24 people. Located in 5 countries in APAC, having conducted over 3000 programs and considered a force to reckon with in the training and development space. It has over 100 clients across several industries (to name a few - Banking, NBFC, Luxury car retail, Housing and Construction, KPO/BPO/Contact Centres, Consulting, e-commerce, NGO etc.)

This journey has had its moments when this one time where SR was meeting a client in the morning as a founding partner, post that, a conversation with another client, where she was negotiating wearing a hat of a financial expert. Interestingly that same afternoon, she played the avatar of a driver, driving 20km to meet one of the clients and hand over the MBTI assessment forms. From playing multiple roles as delivery person to Technology expert to Master trainer and Founding Partner. Today the organization had grown to have multiple departments that has hired some of the best talents in different functions within the company.

*See Attachment 1 - Profile document*

**About the Client** - American multinational information technology company headquartered in California. Has developed and provided a wide variety of hardware components, as well as software and related services to consumers, small and medium-sized businesses and large enterprises, including customers in the government, health, and education sectors.

The company directly marketed its products to households; small- to medium-sized businesses and enterprises, as well as via online distribution; consumer-electronics and office-supply retailers; software partners; and major technology vendors. It also offered services and consulting business for its products and partner products.

The company has grown exponentially to a revenue of 200 million USD. It has more than 1 lac employees across the globe. India alone has 50000 employees. They also have outsourcing model, where they outsource certain business to help in managing the

ever-changing requirements. They have both B2C and B2B clients.

India Head Mr Bharath Srivatsav (BS), Handles the following verticals - Contact Center India and global; Field Officers - India. Getting into the call with SR got to know the following:

The culture within the organization is committed and stable. The Mid management are typically 15+ years in the organization. It is a very value-based organization where decision making, and actions are taken based on core values. They are subject matter experts and are excellent problem solvers for customer issues. Their managerial style is people-friendly and accommodating. The managers themselves were uncomfortable with change and that came across in their interactions with their team members. This undercurrent was also felt by the team members and thus increase in resistance to change.

So, BS was having anxious moments, given the VUCA world and the rapidly changing / demanding client and competition... something fundamentally needed to shift in people to be adaptable and to develop a growth mindset. He also wanted to set a base / standard and then take it to the next level. BS had invited his core team comprising of 4 Leaders to this discussion. Each of them gave their perspective about the problem at hand. This helped SR and her partner to clearly understand from each of the Stakeholders. To create this kind of 360 change it will need a systemic intervention that would look at what is the as-is situation and help them to take the leap of change to make that holistic transformation - of mindsets, beliefs, ways of working and skills. The insight was that people are so rooted in their comfort zone that the managers do not seem to see the need for change or feel equipped to make that change. This translates into no change executed.

The Learning and Development team were good order takers and specialized in process and product training. What was needed now was to bring in experts not just in training also in being able to design interventions that would create the attitudinal shift, equip them with skills as well as help people embed the change. This had to be covered across the entire organization. So, an entire battery of people was required to execute the series of interventions. This is when TCL was brought in because of their consultative approach to designing unique solutions and a large team of capable trainers who could deliver sessions across locations.

**What TCL did:** SR shared these findings with her core team to collectively think of



solutions. The TCL way of designing solutions included - Deep research with key stakeholders - both in the form of personal interviews and focus group discussions. This study was conducted across all locations, across levels and functions with sample populations. The purpose of the research was to step into the shoes of the employees, understand their painpoints, missed opportunities, hear anecdotes and experiences of their success and challenges.

**Problem in detail:**

TCL conducted high-level research to understand the problems that Managers and team members were facing in responding to change. The high-level research and conversations with key stakeholders elicited some of the problems listed below. These could be classified under 3 broad heads - External, Team and Self.

**External:** Rapidly changing customer expectations, agile competitive environment, new trends in the industry, pandemic and ways of working.

**Team:** Millennial, Getting the best from new ways of working, Trust in people during remoteworking, resistance to change and relationship building (Internal and External).

**Self:** Wellbeing, managing change, stress and lack of resilience, communication and managing emotions.

These problems were impacting the manner in which people showed up in their work environment. This was resulting in behaviors like transactional conversations with customer, micromanagement, breakdown of trust, high level of stress, communication etc. For example, In the call center - analysis of listening into calls, reading the main interactions, helped SR to understand the following:

Customers trust the brand. Expect high quality products and are loyal having the multiple products being used for both personal and business. In almost all cases, there were multiple interactions (telephonic & service center visits) prior to case being escalated. They often have & share detailed information about past contacts (phone or email). Given changes in education & work norms due to Covid (work from home & online school for children) - high sense of urgency & expectation of faster turnaround. Severity of cases varies – based on issue, responsibility, customer profile, impact.

Primary reasons – delayed or no solution despite follow up, multiple contacts needed between different channels (customer care, service center), specific product related

concerns, cost benefit requested (free visit, replacement wrt warranty etc.) In some cases, customer threatening to escalate to consumer court / raise matter in social media All this resulted in increase in call volume, frontliners customer interactions skills were not up to the mark. As a result, increase in escalations and talk time. At the end of this extensive research, TCL met with the leadership team to propose a holistic change that would make change trans-formative and ensure it is long lasting.

*Table 1 - depicts the Holistic proposal at a glance*

In summary, a 360-degree approach was suggested for the change management.

*Table 2 - depicts the extent of the participant profile, number of programs, number of participants, duration of the interventions*

**Table1: Proposal at a glance:**

<b>Employee Category</b>	<b>Proposal</b>	<b>Outcome</b>
Leadership Team	Strategy Meeting	To help define the big picture and way forward for the year
Mid Mgmt Team	Leadership Development	To enable them to learn, practice and apply key managerial skills, with customized 360 assessment pre and post.
Front end Team (Call center and Field team)	Customer Interaction	To enable them to learn and apply customer interaction skills to reduce escalations and to wow the customers
Supervisory Team	Manage Front end	To enable them to help and support the transition that their front end team is going through

**Table 2: Delivery:**

<b>Participant Profile</b>	<b>Num of participants</b>	<b>Num of programs</b>
Seniors / Mgmt. group	11	3 days – workshop
Mid Mgmt. Team	45	Journey - 360 pre and post assessment; 4 Virtual session, 2 projects, 2 coaching 1 on 1. 8 spread across 4-6 weeks
Front line	4500	3 programs of 2 hours each
Supervisory	50	1 program of 2 hours

Below is a reference of the end-to-end intervention completed for the call center team:

*Profile of participants:* Young millennial, either graduates or diploma holders; energetic and new to corporate life

*Type of program:* Program which helped them to understand what is expected in their role, understand customer needs, skills to handle customer needs, handle difficult conversations. The program helped them understand what not to do, what is just right and what is to be achieved.

*Purpose:* To help reduce escalations, move from transactional service to relationship building,

*Outcome:* To set a basic standard of customer interaction and Reduce escalations.

*Metrics:* Count of escalations, Call handling time

SR sitting in her favorite place and reflecting on the monumental task thought – ‘it was not abed of roses during the delivery phase. Loads of problem faced both from the clients end and TCL end.’ All these interventions were happening in parallel. Design of various programs, Training TCL trainers, certifying them, blocking their calendar, coordinating with the logistics team of the clients, getting the batches created, session links communicated to both the participant and the trainers, attendance tracking, follow up, feedback link, feedback analysis and so on. SR faced problems at every stage...Log in link was wrong... she got to know on the day of the program, the trainer was waiting to be “let in” while the participant were waiting for the trainer to come in!!!;

One trainer called SR desperately stating that she had 70 participants in her session, while the attendance batch list showed only 30. Confusion in the link, resulted in 2 batches joining one room. Since parallel sessions, trainers were also confused on the power point slides to be used, the stories to be shared ... so much more of the chaos was happening internally within TCL. With deep faith in the team’s ability to stretch themselves during these times, the team responded with agility, quick thinking on the feet in these moments of crisis. Each team member knew the entire TCL team had its back. No one felt alone or left to handle the problem alone. Team members were working through holidays, sick parents at home, kids online classes etc. Team came together with agility and trust.

SR was proud that her team grew in stature during this phase.

On hindsight, it just brings a smile on how she overcame every one of the crisis moments. She knows it could not have been possible without this robust set of team members who were always giving and offering support.

**Outcome:**

Initial feedback started pouring in. Course corrections were done. Based on the feedback received during the initial roll out - course corrections were done to help the participants relate and apply the learning's. At this juncture is when the Supervisory team was identified for further training to help support the change.

Few Course corrections that were done across the categories were:

360-degree assessment - tech issue - due to firewall issue, this was overcome by having discussion with the tech team and sorting this "url" out

Content of the Frontliners - were changed to suit the audiences nature of work. The construct remained the same. Few specific topics got added based on the input

Metrics were being tracked

While the project is still work in progress, SR was invited to a meeting with the key stakeholders to discuss the progress made with respect to the project.

She was happy to see the trackers and the numbers shared by the team. Both qualitative and quantitative data.

Qualitative data highlighted - How participant were happy after the program, how they found it useful and relevant across all the participant category.

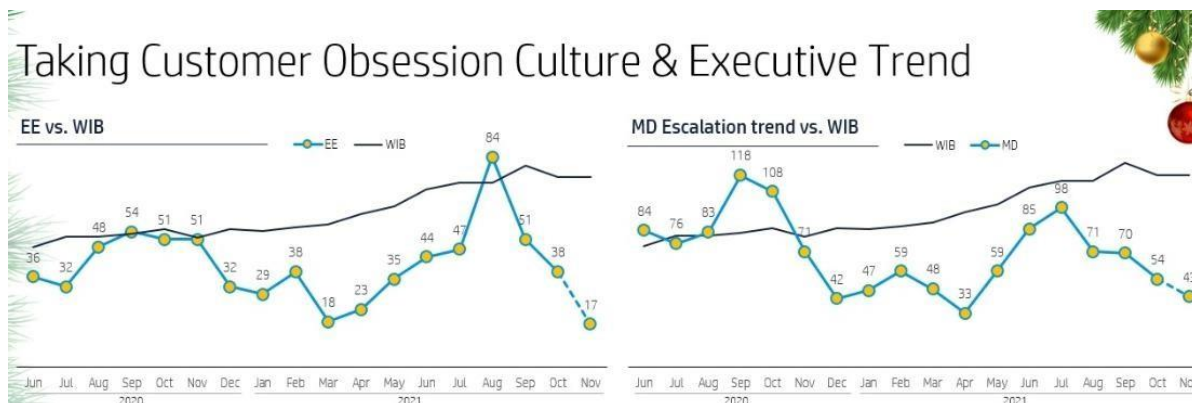
In fact, one person said about the application of a technique taught to handle difficult customer and how the customer had sent a mail of appreciation.

One of the mid manager team shared with us the structured approach of giving feedback has helped her to handle and support a difficult employee.

In another case, how a manager applied an approach to handle millennial and found that he was able to raise the bar of the entire team.

The Leadership team was able to apply tools learnt during the strategy meet in their project implementation.

Quantitative data - Shared by the contact center, While the volume of work has increased, the escalations have come to an all time low. The graph below illustrates the same



So across all other departments, results started pouring in.

**Way Forward:**

SR and her team are looking happy with the mid term reviews and results of this multi-level project. The various inquiries from the Clients regional team further establishes the success of the program interventions. Phase 2 is being discussed for the Front line team. The team is charged up to complete the rest of the project deliverable and get into Phase 2.

**As you reflect on this case,**

What facts come to your mind?

How did you feel as you went through the journey through the narrators’ eyes, ears and heart? What are your key learning's?

What are some thoughts that you are getting? What was similar to your experience?

What was unique and different to you as you read the case?

What other ways do you think this project could have been handled? What has been covered well?

What has not been covered?

Whether this will be a sustainable change management? What challenges could come up during the roll out?

What challenges do you foresee after the roll out? How can it be circumvented or preempted ahead?

## **The Leader, The Manager and The Blind Faith: A Case of Imperial Spa and Resort Private Limited**

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### **Abstract:**

Mr. Balraj had joined Imperial Spa and resort Private Limited. as an HR manager with a high spirit and enthusiasm in August 2017. He was so happy to work with the director named Mr. Shastri who treated the employees fairly and maintained an equity in the organization. Mr. Balraj was highly inspired by Mr. Shastri's leadership. All employees in the organization were very satisfied till Shastri's retirement in January 2020. Balraj the HR manager was also told to headhunt a suitable candidate for the director position by the board members. Balraj and the Board members recruited Mr. Sinha as a director in February 2020 who had 25 years of experience in the hospitality industry. The director made all possible changes in the organisation to take everything under his control. After a while, Balraj realized that recruiting Sinha was a wrong decision. The director tried to remove Balraj and other old employees to bring his own people into leadership positions in the organization. During the pandemic, lockdown happened across India and the hospitality industry was very badly affected. The company under the guidance of the director fired many highly skilled and experienced employees. The business of Imperial Spa and resort private limited. went drastically down. Later on, the business was closed. By the time the board members realized the importance of the right people strategy at the right time, it was too late.

### **Introduction:**

Imperial Spa and resort Private Limited were started in 2012. The policies, the procedures and the protocols that are followed were all designed by Mr. Shastri and Mr. Balraj. There were certain positions - For example, the Director of SPA and Resort or the Manager of Human Resources, the financial controller appointed with the consent of board members. For all the other positions, the director has the freedom to make decisions.

Imperial Spa and resort Private Limited are the largest SPA and Resort in Banglore and is situated next to an industrial hub, expo mart and easily accessible from the airport. The

Imperial Spa and resort Private Limited is spread over an area of around eight and a half acres and has 398 rooms, and out of these rooms, 50 rooms are suites consisting of one-bedroom and two-bedrooms. The Resort has a Convention Centre, different event venues, open lawns and gardens, calculating up to 51,000 square feet of banqueting space. In addition, the Resort has multiple food and beverage outlets and various restaurants, including an all-day coffee shop, an all-day dining outlet, a Chinese and Italian speciality restaurant, and an Indian speciality restaurant called the lounge specializing in Punjabi cuisine, a beer cafe and various pastry shops. The HR Manager ensured that Imperial Spa and resort Private Limited had the best-trained hands and became one of the most sought-after destinations.

**Background:**

Mr. Balraj had a good time working for Imperial Spa and resort Private Limited. for a few years as an HR Manager. He found the company's culture to be exceptionally pleasant, healthy and focused on the well-being of its employees. The director Mr. Shastri, a man who embodied leadership, was at the helm of the company. This boss was completely invested in the company and its people, and he toured the resort every morning, saying hello to everyone. As per the instruction given by the director, Balraj ensure that every person in the company had their birthdays celebrated. The director Mr. Shastri gave each person a present that was unique for them, something they either needed or wanted. In other circumstances, an employee may be experiencing financial difficulties and will be given money as a present. Employee engagement and satisfaction were given the highest priority during Mr. Shastri's tenure in the company.

The director planned for a supper to be presented to the working staff after visiting the resort and handing them gifts. The supper was served by volunteers from the corporate team. People actively volunteered to work at this time, allowing those with families to have time off. Every holiday was commemorated by a festivity of some type. Every year, there will be a picnic for all of the employees and events will be celebrated; employees were also be greeted and invited to the organization's success parties. The staff saw that, even though they were working throughout the holidays, Mr. Shastri took time out of his vacation to

honour and congratulate them. Employees adored this leader and would go to great lengths to help him and the company.

**Problem:**

In January 2020, Mr. Shastri retired from the company. As a result of the transaction, the company's leadership changed. Mr. Balraj was also told to headhunt a suitable candidate for the director position by the board members. Balraj recruited Mr. Sinha as the new director in February 2021 who had 20 years of experience in the hospitality industry. The newly appointed director was expected to bring in fresh ideas and propel the company forward. The new director was the polar antithesis of everything the company's employees and culture had been built on. After two months there was a severe change found in the communication. The director was listening to only those people who supports him and not raising any issues no matter what. Employee irritation increases due to unnecessary pressure of work and assignments from management. Existing processes of work were changed and new strict policies and procedures were formulated. Cost-cutting in all the areas was immediately incorporated into the company. Expenses incurred in the employee engagement programmes like birthday celebrations, success parties, sharing of gifts for acknowledgment of work were stopped with immediate effect.

The newly appointed director was struggling hard to prove in front of board members that he was the best fit for the company. He was controlling the employees by creating fear among employees of losing jobs. Sacked a few individuals from the Spa and resort, when they raised their voice about the immediate changes of policies and procedures, neglecting employee welfare and engagement programmes. Mr. Balraj also communicated the same to Mr. Sinha several times but he did not listen to him. Mr. Sinha also scolded Balraj in front of all the employees that he is insincere and soon he will be removed from the company. Mr. Balraj could not be able to tolerate when the director demanded extra benefits from the company and also fly with the business class overseas whenever there was any meeting with clients, summits, and workshops. The director also denied staying in a fully furnished official quarter near the resort suggested by Balraj and he preferred to stay in a costly bungalow in the city where the cost was borne by the company.



The director was never tried to connect with the people of the company, leaving all the employee's concerns behind, and was focused on his own interest and benefits. He managed to gain the confidence of the board members by committing false promises and playing politics. The director did not like the unity among employees and use divide and rule policies. Created an environment where every employee in the organization is sceptical about their roles and responsibilities. If anyone had any problems and issues, they preferred to communicate to Mr. Balraj only. In such a situation, employees were given importance to safeguard their position in the organization. Observing the popularity of Mr. Balraj as an HR manager, the director wanted to remove Balraj and a few other managers from the company. Being an HR manager Balraj always ensures employee welfare in the company. When Balraj tried to escalate the issues faced by the employees to the board members he got the blame for not respecting the hierarchy and by-passing Mr. Sinha to gel with the board members. After one year as the director became acclimated to his position, he brought in his own people for the leadership team in the organization.

During the pandemic, the situation was getting worst for people in the hospitality industry. Imperial Spa and resort Private Limited lost 90% of its customers. There were no footfalls during the pandemic. No communication was made with the stakeholders of Imperial Spa and resort Private Limited directly or indirectly about any backup plan during the crisis. Mr. Balraj repeatedly informed the board members as well as Mr. Sinha about the consequences of the pandemic but his voice was never heard. Mr. Sinha was always busy with his own personal work and never bothers to visit SPA and the resort. As old employees of the company already got fired and new employees joined by the recommendation of Mr. Sinha they never complained.

Mr. Balraj was unable to tolerate the situation of organizational cronyism created by Mr. Sinha and resigned from his position. Soon after many highly skilled and old employees had resigned from their position. The company faced high attrition and the situation went beyond their control. Later on, the business faced huge loss and was closed on August 2021.

### **Proposed Solution from three sides:**

#### **I. The Leader - Mr. Sinha:**

Mr. Sinha was an insecure leader who was concerned more about his survival rather than the benefit and sustainability of the organization. Mr. Sinha did not try to understand the

culture of the organization. How was the past? What is required in the present? How future would be better? What strategy is required to enhance the sustainability in the business and create a competitive advance in the market? All the answers to the above questions must have been identifying by Mr. Sinha in the beginning. Mr. Sinha never considered people are the greatest assets in Imperial Spa and resort Private Limited. Mr. Sinha should have given a transparent and accessible platform for the employees to communicate their problems. The door of the leader should always be open for its people. The management of people during the time of Mr. Shastri and Mr. Sinha clearly indicates the importance of leadership and its impact on business. During the Pandemic many businesses also flourished but the fate of a business also depends on its leader.

## **II. The Manager - Mr. Balraj:**

To be successful, businesses rely on their people. It's critical to hire the proper people, and when recruiting and selection methods go wrong, there is a slew of consequences. More than merely a loss of revenue due to inefficiency, hiring the wrong personnel has a detrimental impact on many elements of daily business and productivity. Bad hiring selections can affect the business in a variety of ways.

As Mr. Balraj was the senior HR manager who was well-versed in Imperial Spa and Resort Private Limited's work culture. He also worked under the direction of Mr. Shastri, who was an excellent leader. Mr. Balraj must had realized that being polite isn't always nice, and that sometimes a leader or management needs to be strong in their decisions. Strategic Human Resource Planning, Recruitment, and Selection are extremely essential for the success of business since they require a significant amount of money, time, and effort. Mr. Balraj was in charge of the organization's succession planning. Succession planning is a methodical and purposeful process of identifying, developing, and tracking key personnel inside a company in order to position them for future senior and top-level jobs, which could be included before selecting a new director.

Lack of communication was also a major issue found in this case. When communication is ineffective, misunderstandings are more likely to occur, which can also harm relationships, destroy trust, and result in anger and hatred. Ineffective communication can result from a poorly aligned strategy, failure to execute the plan, inappropriate communication medium. The simplest way to inflame employee discontent is to ask for feedback, but then do nothing about solving their problems. Getting honest and constructive feedback from employees

starts with trust and making employees feel that they can speak up without fear of punishment. Mr. Balraj must have strengthened the communication system and immediate action should be taken on employee feedback.

### **III. The Blind Faith – Board Members**

The board members were the owner of Imperial Spa and resort Private Limited. The board members had a strong faith in the newly appointed director Mr. Sinha and hence they ignore all the feedback given by the HR manager Mr. Balraj. Running a business is not enough, it is essential to sustain the business in the long run. Sustainability became very critical during crises. The involvement of owners, decision-makers, in the business decision is very important. They should have a bird's eye view of the operation of business and day to activities. They should know what is happening in the business? Who is doing what? They should ensure that there should be a proper communication channel so that all the information of the business must be circulated from top to bottom and bottom to top. Imperial Spa and resort Private Limited were successful businesses but due to lack of leadership suffered huge losses and later on shut their business. Even a 360-degree feedback mechanism on time can save a business from a crisis. Employee satisfaction survey also gives a clear idea about the environment of the organization, which in turn helps to take the right decision at the right time. In this case the leadership gap should be addressed at the right time. **The leadership gap is how aligned current leadership is with what's thought to be important for leadership effectiveness in the future.** And current research shows that leaders aren't adequately prepared for the future. This finding is consistent across countries, organizations, and levels in the organization.

#### **Resolve the case problem with the following suggestions:**

These recommendations for overcoming the case problem are: The teacher, for example, could decide on the students' activities or enable them to choose their actions to tackle the problem. Therefore, the advice is that the teacher monitors the students' discussion process to avoid discussing unrelated topics to the case study's aim. Instead, involve students in a thorough discussion and facilitate them in coming out with the best solutions.

#### **Questions:**

1. What are the distinctions between Mr. Sinha's and Mr. Shastri's leadership styles?

2. In this scenario, what is the important component that Mr. Balraj must address during the leadership job selection process?
3. How did Mr. Balraj's concern for the company's workers grow?
4. If you were in Mr. Balraj's shoes, what are some of the feasible alternatives you may offer to salvage the company?

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## **A Descriptive Study on Employee Engagement in Organizations with reference to Specific Cases**

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### **Abstract**

“Train people well enough so they can leave, treat them well enough so they don’t want to” - British entrepreneur Richard Branson. Employee Engagement which is gaining more momentum in the contemporary business environment. Considering any of the business right from the small scale to big scale it is essential to keep track of their employees and make them work efficiently and effectively for the organization. In order to execute this organization must be acquaint of employee engagement. Their policies must be cohesion to retaining employees by ensuring welfare to them and engaging in different aspect like organizing Pep-Talk, Honoring on prestigious milestone and occasion, Weekend Chillout, Annual Family Vacation, Community Engagement. This case delineates in the following aspect with a brief on employee engagement followed with literature review, roles and responsibilities of human resource department and then two case scenarios on employee engagement ending up with a concluding remark.

**Keywords:** *Employee Engagement; Human Resource Department; Compensation Benefits.*

### **Introduction**

The majority of the bandwidth in any of the organizations will be under the ambit of employee cadre which alarms the organization to think over engaging employees in optimistic and harmonious mindset. So, in the contemporary era of organization culture this employee engagement obviously gains more momentum which subsequently reflects in organization performance too. This employee engagement doesn’t restrict itself by making employees of the organization happy and refreshing occasionally alone, rather than that it covers a broader spectrum of employee’s development both in professional and personal aspect. To be befit for the competitive business environment, an organization must set its stage as a epitome for its major competitors by keeping its employees positively engaged in fulfilling their responsibilities. The kind of bonding between the employee and the organization is meant to be employee engagement which ameliorates the organization. The tenets of an organization wellbeing are that it focusses on the employee’s blissful note

always. This concept had its initiation in 1990's under "management theory" and became prominent around 2000's

### **Review of Literature**

Earlier days employee engagement was subclause of personal engagement with the organization and indicated that an employee's focus must be task-oriented. The concept of employee engagement has been outlined in many ways by the academicians moreover as corporate analysis agencies and few such perspectives are as follows

Sweetman & Luthans 2010 defined from the psychological perspective, engagement is a state-like phenomenon which is portrayed as an affective-cognitive state-like condition. It is not a temporary state such as mood nor as relatively non-malleable as fixed characteristics such as personality traits. It is deemed quite stable.

Fernandez (2007) displays the dissimilarity between job satisfaction, the well-known construct in management, and engagement competing that employee satisfaction is not the same as employee engagement and since managers cannot depend on employee satisfaction to retain the best and the brightest; employee engagement becomes a critical concept.

Towers Perrin (2007) investigated and reported that those organizations with more engaged employees subsequently increased their operating income by 19% and earning per share (EPS) by 28% annually.

According to the Institute of Employment Studies (IES), employee engagement is defined as a positive attitude held by employees towards the organization and its values.

Hewitt Associates defines 'employee engagement' as 'the state in which the individuals are emotionally and intellectually committed to the organization's goals.

The publication of the Conference Board of USA (2006) describes employee engagement as an intensified emotional association that an employee feels for his or her organization that influences him or her to utilize greater discretionary effort to his or her work.

Definitions of engagement may take a different stand in the weight they give to the individual vs. the organization. Recent practice has administered the drivers of engagement across this spectrum, from within the psyche of the individual employee to create hotspot mainly on the actions and investments the organization that binds organization as well as employee's wellbeing.

### **Functional Module of Human Resource Department**

Since the inception of corporate culture or company-oriented employability aspect many departments plays a pivotal role in governing and administering the company operations few of those incorporates

- Human Resource Department
- Marketing Department
- Finance Department
- Operations Department

These four departments tend to be inevitable part of any type of organization being it be manufacturing sector or service sector. Out of these four departments, the principle of employee engagement and motivation is persuaded by Human Resource Department which is a dispensation of it. This idea of employee engagement will serve as a panacea for many challenges or problems faced by employees of the organization irrespective of the gender, designation and socio-economic status. Some of the responsibility of HR department in organization includes

- Assessing the staff requirement
- Staff recruitment and selection
- Employee's training and development
- Monitoring the work

Organizations needs to provide requisite space for its employees of any designation to develop the interpersonal skills so that effective organization climate is ensured. The core competency of Organization's behavior depends on how to improve factors that make organizations more effective and efficient in multitude aspect. Companies must always have a contingency plan that keeps its employee vibrant and proactive.

### **Implications of Human Resource Department and Employee Engagement**

As mentioned earlier in this paper though organizations have different departments like HR, Marketing, Finance and Operations. The main roles and responsibility of ensuring employee engagement within the organizations falls under HR department. So, the HR manager in consultation with respective department heads by brainstorming will draw a contour describing the employee engagement and some of those few responsibilities of HR includes

**Planning:**

It includes strategic and operations planning. Strategic HR planning links HR management directly to an organization's strategic plan by correlating staff's roles tied to the strategic direction of the organization. In case of operational planning, it ideates on day today activities and determines how many employees are needed to deliver services over the next year

**Compensation & Benefits**

Compensation and monetary benefits can be provided in many names like Annual Increment, Double Hikes, One Time Bonus, Thank You Bonus, Added level of Promotions. Many Studies depicts that an employee who feels adequately compensated monetarily is more likely to stay with your organization and this is one pivotal factor in ensuring job satisfaction.

**Legitimate Standards**

One prudent way of ensuring employee engagement is providing suffice working environment with acceptable level of standard or benchmarking standards. Governments must outline the minimum requirements to ensure a safe and equitable work environment for employees that has to be meticulously adopted by every organization. A foolproof mechanism must be implemented to strictly monitor this.

**Training and Development**

Yet one another important policies and responsibilities of HR is T&D which is the core value of HR department in all organization. For this to be implemented the HR departments in congruous with other departments of the organization must map the components of the department requirement with the employee's domain knowledge and it must initiate T&D programme periodically then and there required. So that employees would feel solace within the organization as well as the organization would be benefited out of it. Organizing training programs assist employees personally and professionally.

**Workplace Diversity**

Creating a conducive environment would make people feel welcome and safe from harassment and discrimination. Workplace diversity encourages the employees to be extrovert by the way of interacting with different group of people. This serves as a fillip and act as stressbuster for employees. Silver-tongued people instigate slow performer to be prompt in accomplishing their task and this is possible in diversified team.



## Engagement Drivers

Organization to be on a victorious note should think-over on retaining their employees too. One of the pivotal concepts of HR is employee turnover which is a losing out potential workforce that is not a good sign of development. So, to mitigate the effect of employee turnover organization executes the idea of employee engagement which is backed up by the following aspect

- **Career Progression**

- The ultimate aim of all employees irrespective of any designation be advancement in their ladder of career and to accomplish that vision they persistently work in a scrupulous manner in all aspect. So, this factor tends to be preponderant among all drivers of employee engagement.

- **Monetary Benefits**

- Though we say career development in soft tone it implies an improvement in PayScale. End of the day everybody works for monetary benefits which is indispensable portion of human life. Any kind of monetary benefits in the name of hike, increment, bonus and promotion serves as silver-lining for its employees. This factor again serves as crucial aspect in engaging employees positively thereby retaining potential workforce.

- **Equal Opportunity & Fair Treatment**

- In order to ensure good performers are given handful of chances and opportunity in equal numbers to grow among themselves, organization must devise a strategy that must be a holistic one.

- **Performance Appraisal**

- Yet another important responsibility of HR department similar to recruitment, selection and T&D is performance appraisal which is a practice of assessing the employee's performance on different parameters that includes

- Involvement in Project Accomplishment
- Disciplined Manner of work culture
- Augmentation of domain-based skill set

- Periodic PA will always keep the employees at bay thereby career progression is meticulously planned by employees for their welfare which in turn ensures organization welfare

- **Family-Wellbeing**

○ Caring for the personal space of employee by the way of ensuring family wellbeing is also one important factor. Successful implementation of strategies pertaining to employee engagement results in higher gratification among employee about the organization.

All these activities are nitty-gritty of organization to function effectively and efficiently. These practices can be identified by the way of interaction and brainstorming within the employees of the organization through the immediate level of communication in organization management either it maybe team leader or manager or department head.

### **Roadmap for Employee Engagement**

Organization must have unequivocal roadmap or plan for engaging its employees most of the time, so that both the sides either it may be organization or employee will reap the benefit out of it. Here are some of the dimensions in which employees' engagement can be better achieved in organization

- Providing comfortable work space is one of the major aspects of engaging employees
- Organization must perform the Strength Weakness Opportunity Threat (SWOT) analysis, so that employees can be assigned their domain-oriented responsibility in which they will be strong, so that employees are positively engaged.
- Providing fair monetary benefits will keep the employees in optimistic mindset within organization
- The kind of strides that is provided by company for its employees of all designations
- Employee friendly working environment provided by the firm.
- Being acquaint of what is happening within organization
- Building a strong sense of teamwork that bolster the members of team by identifying the core competence of each individual and thereby assigning the opt job to each and every member of team.
- **“Right Men Deserves Right Recognition”** keeping this as mantra or tagline if an organization march towards the success path in their business road definitely success is not too far away. Organization must be open-minded and judicious in providing recognition for star performers of the task assigned.

Keeping all this in mind if an organization depicts a roadmap for engaging its employees in good environment, it tends to be upbeat and unabated in success index both moral aspect

that include employee wellbeing and monetary aspect that ensures lucrative business performance in business environment.

### **Case Scenario I – Positive Side**

To discuss with a practical scenario, I have taken the case of century old conglomerate company TVS group of companies which has myriad number of companies under the brand umbrella called TVS. The group with its impressive track records and lofty principles had garnered its employees hearts over the century. The reason being its termed as conglomerate is that it had registered itself in wide range of industries starting from automobile, logistics, financial services and engineering components etc. Some of the benchmark practice that TVS group does to engage and retain its assets i.e employees are

- In case of monetary aspect way back to government legislation of minimum requirement of financial assistance like Provident fund; Employee state insurance and Gratuity TVS started providing this kind of monetary backup to its employees which is felt a praiseworthy note.
- Interactive forum is encouraged in which each and every employee of its firm can have word with their top-level management
- Company lends a helping hand for its employees and their family during hardship times like medical expense, death benefit and so on.
- TVS group feels and treat their employees as part of own family members, the kind of nexus within the TVS organization is splendid
- The company always strive hard to honor their trust with the employees which implies that promises are fulfilled by the management to its employees irrespective of the situation
- The company always will have democratic style of leadership that imbibe the thoughts of employees too in decision making process
- Company envisages an open-door policy in accepting the ideas of its stakeholders at all ends During my interaction with TVS employees within my purview I could able to sense a feel of comfort in the aforesaid aspect among TVS employees. All the tenets of TVS group are epitome of business standard which is quintessential too for engaging employees on a blissful note there by retaining them.

### **Case Scenario II – Negative Side**

On the other hand, in the recent times during Dec-2021 the bottleneck faced by Foxconn unit situated in the outskirts of Chennai city has aroused as major problem, due

to its failure in providing the basic amenity for its employees like proper food and shelter which resulted in major agitation by its employees blocking major highways.

**Inference from Case Scenario:**

The inference from the two case scenario containing positive and negative aspect outlines that it is clear that if employees are satisfied with the organization and vice-versa it is good for both organization and employee which is apparent in positive case scenario whereas on the other hand if employees are not provided with the conducive working environment it will result in stalemate of the organization functioning that is blatant in second negative case scenario.

**Conclusion**

Employee engagement is getting a bigger stage nowadays from employers across myriad sectors. In some respects, it is a customary trend, the desire by employers to find ways to increase employee motivation and to win more engagement to the job and the organization. In some ways it is pristine in that the context within which engagement is being sought is divergent. So, I would like to conclude that for the betterment and ameliorating the organization position in the competitive business environment, it is wise to focus on retaining the potential workforce by the way of engaging them professionally and personally.

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## Emotional intelligence: A productivity booster

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**Abstract:** This case demonstrates the catalytic role of emotional intelligence (self-awareness and managing of one's emotions and other's emotions) for one's peaceful and prosperous life and interpersonal relationship. The case drives home the point of low emotional intelligence can lead to catastrophic decisions in life and work. Set in the context of an educational institute, the case highlights the important role of emotional intelligence.

**Keywords:** *Emotional intelligence, workplace, self-awareness, productivity*

### Introduction:

She never spoke with me in the whole year. To my surprise, she entered my office. She said, "I would like to talk to you. Can you give me an appointment?" You can meet me at any time," I said. The next day she walked into my room. I ordered a cup of coffee and she said: "No, Thanks". I made her feel comfortable. And then slowly she started speaking. She was hesitant. Kept quiet. Cleared her throat. Coughed. Paused. I gave her space and time to speak. "Do you know what happened last week?" She asked me. "I don't know," I said. Curiously, I asked why you absent were for a week from the class. She was quiet and answered. Her words were like bolt from blue. I could not believe my ears. Yes, I have resigned she emphasized again. Then she narrated what happened.

That day I was late for 10 minutes for the class. As usual, I went to the VP-Admin office to sign. He asked me why I was late. Politely I told him genuine reasons for being late. Further, I said I am usually on time for class. Never was I late for class in this entire academic year. Therefore, I said sorry and asked his permission to go to the class. Then this unwarranted incident occurred.

### Context:

**The VP administration** is a man of high profile. His career graph is filled with wide exposure and varied experiences in several primer institutions. In general, he is an emotionally intelligent person (aware of his feelings and the feelings of theirs- Daniel Goleman). Unfortunately, that day he was harsh, impolite, and sarcastic. Therefore, he laughed when I gave the reasons. He referred to a set of rules and regulations of the academic institution. Then he said there are only two options; either you take half a day's

holiday or give an apology letter. I told him: already I said sorry for being late for 10 minutes. What will I do sitting for the entire morning session in the staff room? So I'd be happy to go to the class and teach the lessons.

The VP-Admin, was adamant to insist that I take a half a day holiday or tender an apology letter.

I said I can't do either. Both of them reacted. The mood changed. The room got charged. The voice pitch became shrill. War of words erupted. Both of them got worked. They forgot the academic institution's role, task, and mission which pay them both. He said, "Do you know to whom you are speaking? I have held various responsibilities and positions in premier institutions. You are only a beginner. So do what I say. Just obey: Go to the staff room or tender an apology." I have not done any mistake except that I am late for 10 minutes. Instead of wasting my time sitting idly, I went to the class.

**The teacher:** The teacher is highly intelligent, experienced teacher and highly energetic. She is highly competent, capable, and expert in the subject. The students like her class due to their knowledge and expertise. She had the knack of teaching the students hard concepts easier way. She understands the rural background of the students and their learning difficulties and information asymmetry. So she continuously and creatively provides a solution to their difficulties. Moreover, her empathetic, compassionate, and creative approach endeared the students. She accompanies them more compassionately.

**Her role:** The management was quick to recognize her talents, abilities, and skills. And they appointed her head of the Department. She is very faithful, loyal, and committed to the welfare of the students and the growth of the institution. As head of the department, she is fair and just in allocating workload. She periodically organizes staff meetings. She patiently listens, discusses, and clarifies issues with the staff. Everyone is happy to work under her leadership, as she is gentle, amiable, approachable, and friendly. She voluntarily substitutes the staff when staff members even at the last minute notice. She creatively engages the students and teaches them. When busy she will request other staff members to substitute the class. Proactively she would call the concerned staff and enquire if everything is ok and enquire about the health of family members. She is always thinking of the welfare of the students. As a good leader, she built up momentum and synergy in the department

through the strategy of consultation, discussion, delegation, and deliberation. Under her leadership, the department was growing in leaps and bounds.

**The institution:**

In less than a decade, this fledgling Institution has made a huge impact on the lives of rural students and their families. This academic institution has earned a wide reputation and acceptance. The management of the institution has global footprints in all the continents and has a track record of more than 500 years of leadership in education. Globally, the management has a legacy of commitment to quality education, human values and, social upliftment of the poor and serving at the margins. Even this new institute has made giant strides in its commitment to serve the socially neglected, disadvantaged, and marginalized. Above all the management has taken and is taking a consistent effort to drive this vision through the rank and files of the organization. So that everyone is committed to the same vision and moves together contributing to the mission of the organization. Innovative teaching-learning practices, special attention to English coaching classes, student accompaniment and empowerment programs, service learning, and outreach programmes are a few examples of the student-centric focus of the institution. All the stakeholders- Parents, students, staff and non-teaching staff, and the management- actively engage and spearhead various activities to provide holistic development of the students. The management is committed to set aside a huge amount of money for scholarships and strives to generate local resources to support first-generation learners and orphans and semi-orphan students. In sum, academic excellence, unparalleled commitment to quality education, student-centric activities, social commitment make the institution different, unique, and stand out.

**The issue:** The real issue is coming late for 10 minutes to the class. It is a question of discipline. This issue could have been settled easily as per the guidelines of the institute. What has happened here is both of them missed their mission of contributing to the academic excellence, holistic growth of the institute. Rather, in the spur of the moment, they allowed emotions to take control of themselves. The surging of emotions blunted their reasoning. Hence both exchanged a war of words letting them lose their emotions. He informed the head of the institution of violating the rule. The final appellant authority also blindly supported the decision of the VP-admin. The emotional upheaval led the teacher to the resignation from the job. Overwhelmed by clouds of emotions she tendered resignation

of her job instead of tending apology letter. She became emotionally disturbed. The students lost a competent, capable, committed, and compassionate teacher. The institution has lost a committed teacher to the student's welfare and the institute's growth. Instead of a win-win situation, it became win-loss.

**Theory:** Emotional intelligence plays a catalytic role in one's peaceful and prosperous life and lays a solid foundation for interpersonal relationships. Emotional intelligence enhances productivity in the workplace and reduces stress.

In his seminal book, *Emotional Intelligence* Daniel Goleman described emotional intelligence as “**a person's ability to manage his feelings so that those feelings are expressed appropriately and effectively.**” He affirms, “Emotional intelligence is the largest single predictor of success in the workplace.” In other words, emotions can drive our behavior and impact people (positively and negatively), and learning how to manage those emotions – both our own and others. Managing emotions is especially important in situations when we are under pressure. Salavoy and John Mayer, two researchers, coined the word “Emotional Intelligence” and published it in the journal *Imagination, Cognition, and Personality* in 1990. Later Daniel Goleman popularised it in his bestselling work in 1996. (<https://www.ihhp.com/meaning-of-emotional-intelligence>)

**Conclusion:** The case illustrates the importance of emotional intelligence in our everyday life. Research points out that emotional intelligence enhances the productivity of the organization and brings peace and prosperity. And Kooper, KK (1997) confirmed emotionally intelligent people have “career success, foster personal relations, have effective leadership skills and are healthier.” The case underlines the need and relevance of growing emotionally intelligent persons as human beings are not ‘finished products’ but ‘work in progress.’ Not all talented people lead a successful and happy life. Only emotionally intelligent people lead a peaceful, happy, and contented life.

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## **Apple Squabble: Conflict at Indian Supplier Plant**

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### **Abstract**

The Case narrates the events that led to protest by the 2000 women workers of Foxconn, the Indian subsidiary of Apple Inc. Sriperumbudur Plant, Chennai on Dec 17, 2021, leading to shutting down of the plant on Dec 18th, 2021. Established in 2019 as a part of the Make in India initiative announced by the PM of India this plant employs mostly women workers. Around 159 women Workers fell sick due to Food Poisoning on Dec 15, 2021. There was Chaos and uncertainty over the number of workers hospitalized and discharged. Apple immediately intervened and appointed an Auditor to provide a detailed assessment and apologized for the issue. The chain of developments and the involvement of stakeholders made the issue highly agitated. It examines the issues that led to the conflict at the plant. Secondary data has been used to draft the case study. The case is important in the HR-OB perspective in Conflict Resolution. This is aimed at BBA UG students of Management. This case will add to the existing repository of cases on Conflict Resolution.

### **Introduction**

On the midnight of December 17, 2021, a mass protest was staged on the Chennai Bangalore Highway at Sriperumbudur, Chennai by the 2000 women workers of Foxconn, the Indian subsidiary of Apple Inc. This took place during the process of inquiry for the details of the co-workers who were hospitalized due to the Food Poisoning which took place in the factory on the 15th of the month. As many as 159 women were victims of the unhealthy food supplied at one of the dormitories. The Plant had to be shut down for two days i.e., on the 18th and 19th of December 2021. Apple appointed an auditor to probe into the quality issues at Fox conn remote dormitories. This was a crucial moment for Apple as it was about to launch iPhone 13. The supervisor who was in charge of these workers pondered whether providing sufficient information to the workers about the condition of the hospitalized workers would have prevented the workers from going for the protest or the underlying frustration among the workers regarding their working conditions had led to the protest

While Apple had planned its trial production of iPhone 13 at this plant, it had to work out an effective Conflict Resolution strategy to be successful and launch the Flagship Brand Globally by February 2022.

## Background

Foxconn Technology Group is a Taiwanese multinational electronics contract manufacturer which makes electronic goods for the US-based technology company, Apple Inc. Foxconn opened its plant at Sri Perumbudur, Chennai in the year 2019 intending to employ about 25000 people, as a response to the Make in India campaign. Apple was facing a severe production crunch as they have been compelled to move out of China. Suppliers for the American brands started to look towards Vietnam, Mexico, and India, to reduce their dependence on China. Plants set up by Foxconn and Wistron in India contribute to almost 70 percent of Apple mobiles. Foxconn had plans to invest \$1 billion over a period of three years. Staffing was taken care of by the local brokers. Foxconn recruited First Acting Services as their agency for housing the women workers. The dormitory in news was maintained by Venpa Staffing Services.

Around 16,000 employees in the age group of 18 to 23 were engaged, through labour workers. The workers came from the rural areas of Tamil Nadu. Around 2000 workers stayed at the IMA hostel. The workers were either employed or labour brokers, contract workers, third-party contractors, or agencies. There was no proof that they were employees of Foxconn. They were neither given any identity cards nor signed any contract. They had to pay the contractor for the housing and the food out of the wages of Rs.10,500 that they received. They were not allowed to form a union. They lacked insurance facilities too.

On 15th December 2021, 159 women workers were hospitalized due to food poisoning at one of the dormitories. There was a rumour that one of the workers has died in the hospital. The requests for clarity of information have been denied by the supervisor which led to frustration among the workers. The contractor and supervisor did not respond about the well-being of their colleagues. There was no clarity as to how many women were hospitalized and how many were discharged. Two of the women who were hospitalized did not return to work the next day, which added to more tension among the workers. There was no one to respond to them. Only after resorting to protest, did officials respond. The District Collector released a document stating that only 155 out of the 159 women were discharged from hospitals by the 19th of the month. Among the remaining four, three were hospitalized in Mehta hospital and one person in Kilpauk hospital.

The dormitories do not have flush toilets and no running water. Food was sometimes seen with crawling worms. About 20 to 40 people stayed in a 12 by 12 room, which could accommodate 10. The rooms lacked proper ventilation. Quality and hygienic

food was not provided. Wages were deducted if they go on leave. The supervisor never paid heed to any of the photographs about the food that were sent by these workers to him. Most of them had to sleep on the hard floor. Health problems like skin allergies were very common among the workers. The workers were not allowed to use mobile phones within the factory and their movements were also restricted. With the fear of losing their jobs, the workers never opened their mouths about the problems they were suffering with.

Apple apologized immediately after the incident happened and assured that it will restructure the local management before re-opening the plant. They immediately put the Foxconn plant at Sriperumbudur on probation as it has not met the compliance norms of the company. An independent auditor was assigned to undertake detailed assessments of the living conditions and poor conditions at the Indian plant which prompted the workers to go on a strike.

“We hold our suppliers accountable to the highest standards in the industry and regularly conduct assessments to ensure compliance. We found that some of the remote dormitory accommodations and dining rooms being used for employees do not meet our requirements and we are working with the supplier to ensure a comprehensive set of corrective actions are rapidly implemented,” Apple official added.

“We are also restructuring our local management team and our management systems to ensure we can achieve and maintain the high standards that are needed.” The company also added that new provisions for bunk beds and hot water would be made after the 15th of January 2022. Foxconn announced that the workers would be paid while the improvements were made and every support would be provided to them until they return to work.

The industries ministers of the Tamil Nadu state government said that it was the responsibility of the company Foxconn to ensure that the living and working conditions were improved along with a good supply of housing and drinking water. District officials sprang into action and closed the hostel kitchen and informed us that the hostel will be opened only after the receipt of detailed lab reports.

“We had closed the kitchen on the first day itself and food and water were supplied from outside. In the medical camp, 260 people showed symptoms. Now, only one person is in the hospital. A contracting agency was managing the food and accommodation. We have set up a committee to look into it and the future course of action will be taken depending on the findings,” said Alby John, Tiruvallur collector.

A senior food safety officer in the district visited the hostel and found rats and poor drainage and closed the dormitory's kitchen and reported that safety standards were not met by the samples tested by him. The village-level administrator inspected and found there are no safeguards to prevent the COVID-19 infections within the plant. There were Trade Union Leaders and women activists who stood in support of Protestors.

Foxconn issued an apology based on which the Ministers asked the workers to disperse in presence of the Collector. There was no proper assurance from anyone alleged the workers. The workers were released on 19th December 2021 after detention for 24 hrs. Few Women activists were arrested. Out of the women who were released, few were sent to their homes and some were dropped at their Hostels. When outsiders stating that they were related to the workers approached the protest area, their Aadhar cards were collected and then were allowed to speak to protestors. Women felt that their families have been informed by Police that they were arrested to threaten them.

This is not the first time where Apple supplier is into a problem. During December 2020 many contract workers at Wistron factory, Narasapura, Karnataka, destroyed a lot of property as they were not paid salaries and overtime wages forcing Apple to put the Factory under probation which resulted in an estimated loss of 60 million \$.

### **Road ahead**

There was a lot of uncertainty regarding the reopening of the plant.

Will Apple be able to go ahead with production with a smaller number of workers in the factory? What can it do to resolve the conflict at the Supplier plant and prevent such incidents from happening in the Future?

### **Problem with Proposed solutions**

1. Identify the causes of conflict

(Conflict is not intrinsic to human beings; its expression depends on factors external to the individual)

There are proximate causes and underlying causes. The proximate cause is the food poisoning of the workers. The underlying causes are the bad working condition of the hostel, food and water shortage, and illnesses of the workers

2. Identify the sources of conflict that led to the protest?

A. Lack of information among the workers regarding their colleague's safety is one source of conflict. Insufficient information is one more reason. Different workers were interpreting

the information that has differently. There was no control or manipulation of information that was available with them

B. Miscommunication from Supervisor leading to confusion, anger, and conflict

C. Lack of trust -There was a sheer lack of trust between the Supervisor and the workers.

D. Interests and needs-Conflicts happen due to denial of things. in this case denial of true information regarding the workers' safety. They were repeatedly denied information from Dec 15 to Dec 17th, 2021 about the whereabouts of their hospitalized colleagues

3. Apply Blake and Mouton Strategies to resolve the conflict?

Blake & Mouton based on their research stated that people adopt one of the following five strategies for reduction of conflict and struggle which are given below:

Withdrawing: In this, the person resolves the problem by stepping back from the situation of struggle (lose-lose approach).

Smoothing: This comprises of putting emphasis on points of common interests and avoiding discussion on matters of debate or controversy. Thus, this approach tries to minimize differences between the two warring factions (the lose-lose approach).

Compromising: This strategy seeks to decrease differences through discussion (lose-lose approach).

Forcing: This approach is an all-or-none approach in that it takes a competitive stand. It is this way or that way approach (win-lose approach).

Confrontation and problem solving: Both parties openly discuss all matters and the best mutually acceptable solution is accepted (win-win approach)

In this case, Confrontation and Problem-solving resolve the conflict. The Supplier will improve the working conditions by providing better accommodation facilities and Hygienic conditions. They have been assured of proper water supply as well.

### **Recommendations**

1. Apple should improve the conditions of the workforce with immediate action.
2. There should be a proper communication channel in place to address the grievances of the working women
3. To prevent such incidents from happening, Apple should take stringent actions and ensure the safety of the workers

## Exhibits

### Acute Diarrhoeal Disease(ADD) outbreak among Foxconn employees in Puduchathiram Village,Poonamallee Block, Thiruvallur District

There was an outbreak of acute diarrhoeal disease (ADD) reported among the Foxconn employees staying in International Maritime Academy in Puduchathiram village, Poonamallee Block, Thiruvallur District on 15/12/2021 .Upon receipt of the information, a Medical team consists of Block Medical Officer, PHC Medical officers, Mobile Medical Unit, as well as Health inspectors, VHNs and Staff Nurses Team visited the spot and set up an emergency medical camp in the premises itself including the deployment of four 108 Ambulances for emergency transport.

The District Collector,Thiruvallur visited the spot and instructions were given to the Revenue and Health Department officials to control the outbreak immediately as well as relief measures to the affected persons. The Canteen was immediately closed and Food and water supply arrangements was made from outside the premises by the Revenue Department. The Food Safety Department was also involved and the Food sample, Water and stool samples were taken and sent for analysis. The Hon'ble Minister for Labour Welfare, The District Collector, Thiruvallur and MLA Poonamallee Constituency were also visited the hostel campus on 16.12.2021 and assured necessary support in the treatment, welfare of the employees. A total of 256 patients were treated as out patients (OP) and among them 159 cases were hospitalized (IP) as detail below:

S.No	Name of the hospital	Total cases admitted
1	Poonamallee GH	14
2	UPHC Poonamallee	4
3	UPHC Nemam	47
4	Thirumazhisai PHC	8
5	BeWell Anna Nagar	15
6	Be Well Poonamallee	53
7	Be Well Ambattur	14
8	Mehta Hospital, Velappanchavadi	3
9	KMCH, Kilpauk	1
<b>Total Admission</b>		<b>159</b>

Out of the 159 patients admitted, 155 people got discharged as on 18.12.2021 only 4 are undergoing treatment (Mehta Hospital – 3, KMCH, Kilpauk-1) and all are doing well and completely out of danger. It is also informed that no deaths are reported in this outbreak. It is also requested not to believe the rumours spread in this regard by unknown people. Also necessary legal action is being taken against those who are trying to spread rumours in this regard.

District Collector  
Thiruvallur

Source: Collector, Tiruvallur's Tweet

Update on the Diarrhoeal Disease Outbreak in the Employees Hostel in Puduchathiram, Thiruvallur district. Appreciate Legal action is being taken on people who are spreading rumours.

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## **Vegan at a Turkey Roast**

Sanjana Inamdar<sup>a\*</sup>, Neetha Mary Avanes<sup>a</sup>

<sup>a</sup> *School of Business and Management CHRIST(Deemed to be University), Bangalore*

### **Abstract**

Diversity and Inclusivity are an important practice at any workplace. Brendan and Associates, a cardiac specialty clinic based in New York, sees the subtle discrimination, and highlights the differential treatment given to doctors belonging to different races. Even though the banner shows that the clinic is diverse, there is no inclusion of that diversity in the day-to-day tasks. The case study helps in identifying the prejudices that exist at the daily interactions between five doctors and how there is an unaddressed elephant in the room.

### **Introduction**

#### **Medical History**

Brendan and Associates was established in 2016, by five extremely well reputed cardiac surgeons, Dr. Daniel Scott, Dr. Jeremy Reed, Dr. Rose Green, Dr. Lily Ann, and Dr. Mitchell Dyer. The clinic was set up in New York on the Seagirt Avenue, Rockaway opposite a bagel cart which was the favorite breakfast place for all the staff members at Brendan and Associates.

Dr. Daniel Scott, a middle-aged man who lived in Staten Island all his life, belonged to an orthodox catholic family. He was notoriously known for his “not so easy” approach towards people. One can say that he was not someone who adapts to changes or recommendations very easily. He pulled up in his Mercedes on a bright Monday morning to the clinic and parked it near the bagel cart. There he met with his colleague, Dr. Jeremy Reed. Dr. Reed was a thirty something doctor who was the golden student of his batch at Stanford University. He was the favorite student and always went with the crowd’s opinion. He lived in New York for most of his life and was very well versed with the city’s culture. The two ordered their bagels and headed towards the clinic. They met Dr. Rose Green, who was holding her usual black coffee cup in one hand and the newspaper in the other, at the elevator. Dr. Green was Dr. Reed’s classmate at Stanford and they always talked about opening a clinic together. She always had her reading

glasses on and never took a day off. The clinic often referred to Dr. Green as “Miss Tough”. The lift stopped at the second floor and the three parted ways into their individual cabins at the clinic.

Megan Flanders, the office administrator, was already at the clinic and was preparing the schedules for the doctors. She personally delivered the schedules to the three doctors and sat down at her desk. Dr. Mitchell Dyer, an extremely talented African-American surgeon who was known to be kind and intelligent, entered the clinic and picked up his and Dr. Ann’s schedule from Megan’s desk. It was never delivered to his cabin. He greeted Megan and asked her how her weekend was. Megan was curt with her replies and picked up the telephone that was ringing. Dr. Dyer was on his way to his cabin at the other end of the clinic when he ran into Dr. Lily Ann. Her family members were Vietnamese immigrants living in Boston and she was the only doctor from her family. Dr. Dyer gave her schedule to her and in return she had brought breakfast for him. Their cabins were next to one another. They looked at their schedules for the day and were not very satisfied with the number of appointments they were assigned. They were noticing a pattern of this for quite some time. All the patients assigned to Dr. Dyer were African-American. Dr. Ann’s appointments were always towards the end of the day and most of the times after clinic hours. They were unhappy with their situation. But they decided to keep mum and returned to their respective cabins.

### **Ramen with a Sour Flavor**

During lunch hour, the doctors usually ate together in the conference room and the food was ordered in by Megan. The five doctors gathered at the conference room and sat down at the table. They picked up their lunch and prepared to start eating. Dr. Scott opened the box and noticed there was dim sums and ramen for lunch. He said ‘Dr. Ann you are from China, right? Do all Chinese people eat such unhealthy food for lunch?’ Dr. Ann corrected him and said that she was not Chinese, and she was brought up in Boston, so she didn’t really have much of an idea what Chinese people ate for lunch. There was an awkward silence for a while. Dr. Dyer broke the silence and asked about his patient assignment. He casually asked if assigning African-American patients to him was on purpose or a coincidence. Dr. Reed answered, “Well we thought you would more comfortable treating your people.” “Your people? In medicine we don’t have anything as

‘your or my people’ Dr. Reed” answered Dr. Dyer. Dr. Reed just shrugged the comment and finished his lunch. The doctors dispersed and continued with their work for the day.

### **Don’t Play with the Heart**

One of Dr. Ann’s patient’s case histories was to be discussed at a meeting. The patient had a weak heart and needed immediate attention. To discuss the action plan for the treatment, the doctors gathered in the conference room. Dr. Dyer suggested to do a surgery to temporarily get the heart to work and buy some time to come up with a more permanent solution. Dr. Green however was not in favor of that idea. She said that putting the patient on the waitlist for a transplant would be better because a surgery on a weak heart is pointless. Dr. Ann was inclined towards the surgery as she needed to help the patient immediately. She left the meeting to think about her options. After a while she received a call from Megan saying that her patient was shifted to Dr. Green and that she will now be handling that case. Dr. Ann was flabbergasted. She felt like her medical decision-making was being questioned and rushed to Dr. Green’s cabin. She asked Dr. Green why the patient was shifted, to which she received an answer that did not sit well with her. Dr. Green said that she has better credentials than an immigrant doctor and this will help get the transplant faster for the patient. Dr. Ann was dejected but not surprised. It wasn’t the first time that something like this had happened.

### **50 Feet Apart**

As the day ended, the doctors at Brendan and Associates packed up their things and headed home. The five doctors came down the building and said their goodbyes. Dr. Reed, Dr. Scott and Dr. Green were seen leaving towards the left and Dr. Dyer and Dr. Ann towards the right of the banner of their clinic that had all five of their pictures. Dr. Dyer said to Dr. Ann, “You know how sometimes you receive a dinner invitation as an obligation, but you couldn’t eat anything because you are a vegan at a turkey roast. That’s how I feel coming to work.” And with that the two doctors hopped on the bus, feeling unsatisfied with another day at work, that was waiting for them fifty feet from building’s parking lot.

## Problems and Possible Solutions

Discrimination due to someone's race, color, gender, backgrounds is unethical no matter what the context is. The main problem that can be gathered from the case study is lack of inclusion and obligated diversity. Dr. Dyer was not treated the same way Dr. Scott was, because of his race. His merit and his abilities as a doctor were not a factor influencing the treatment. The subtle and indirect discrimination cannot be written in block letter but can definitely be recognized as one proceeds through the case. Dr. Ann too faced the same discrimination where her medical decisions were not respected. Shifting patients based on the doctor's background and how that would affect a waitlist is unethical and shows what inclusion looks like at Brendan and Associates. It seems like the two doctors were kept mainly to show that the clinic is diverse by having their pictures on the banner but their abilities as doctors were not respected, making it feel like they were just an obligation. The two doctors wanted to be included and wanted the already present diversity to be accepted in the clinic. This could happen only when everyone understands the importance of these two terms and works actively to ensure the implementation of the same.

A few possible solutions and recommendations for this problem can be the following:

- Activities and programs that can be introduced as ice breakers so that the employees belonging to diverse backgrounds can feel comfortable and involved. It can be administered by the office administrator.
- Logical and practical reasons should be backing the assignment of schedules and work. It should solely be based on merit and the capability of the doctor to provide the most effective and ethical treatment and not one any other factor.
- Decisions need to be made by considering all the viewpoints and must be influenced by logical reasons that can be advantageous for the patient and the patient only.
- Calling out indirect racism and addressing it is very important as that will bring about awareness on the same. It will help bring out changes and will prevent such behavior in the future.
- Proper corporate guidelines and policies need to be established to have a supervising factor that prohibits such behavior at the workplace. This will help condemn such discrimination.

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## **Audi alteram partem: A chance or a right?**

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### **Abstract**

At first glance, it appears that the court is imposing a significant burden on an organization to adhere to strict procedural requirements, but a deeper examination of the circumstances reveals that the processes were unjust to the workers. Although an industrial organisation has the freedom to manage its own affairs, it also has a legal duty to treat women workers properly, which has been codified in numerous labor laws across the country. In this case, the organisation plainly had the resources to undertake investigations in line with natural justice principles, yet they were ignored. True, protracted legal fights eat up a lot of the worker's time and energy, but he is no match for the organisation in terms of resources and negotiating power. Positive decisions, on the other hand, create a good precedent and give hope for justice while also serving as a lesson for the organisation.

The bargaining power of a worker to demand his wages and the right to safe working conditions is strike. a strike is a legal, moral, and equitable right of any workman or union of an industrial establishment. Whether the workman is punished for exercising his right or is he given a chance to be heard?

### **Introduction**

The Constitution of India is the supreme law of the land. The Constitution spells the duties and rights of every Indian citizen. The Father of the Indian Constitution believed that it would help in equalizing the gap between different sections of people in work and life. The Article 14, 21 and 32 of the Indian Constitution states “No person shall be deprived of his life or liberty except according to procedure established by law, nor shall any person be denied equality before law or the equal protection of the law within the territory of India.” These Articles guarantee the right to a dignified life, including right to livelihood, to health and to hearing. But the question is how much of the law is exhibited in letter and spirit for the bottom of the pyramid?

Several Indian companies, (Public and Private) are significantly contingent on contract labor. Supply of Manpower and staffing services, for example, are among the services, even

India's largest employers, seek and expect contractors to deliver or deploy contract workers in industries and commercial businesses. Workers engaged "by or via a contractor, with or without the knowledge of the primary employer" in or in conjunction with the work of an enterprise are referred to as contract labor. When the Contract Labour (Regulation and Eradication Act) of India (CLRA) was passed in 1970, it was intended "to govern the employment of contract labor in particular businesses and to provide for its abolition in specific circumstances."

The number of contract workers in both the organized and unorganized sectors has increased significantly in India. According to statistics from the Annual Survey of Industries (ASI), the use of contract workers hired by a third-party contractor has increased in the organized industrial sector. Given India's labor-intensive workforce, the percentage of contract workers in total employment expanded dramatically from 15.5 percent in 2000-01 to 27.9 percent in 2015-16 (Radhicka Kapoor 2019). Contract employees accounted for 36.4 percent of all production workers in the registered manufacturing sector, according to the Annual Survey of Industries (2017-18). Contract workers frequently do the same activities as regular employees, but they are paid less, have less social security benefits, and work in hazardous situations.

Thousands of contract workers hired by contractors working at Taipei-based Infocomm Manufacturing company in Narsapura – outskirts of Bengaluru, India, went on strike in December 2020 to protest non-payment of salary and overtime compensation. According to reports, the corporation employed around 15,000 people, with 1,400 on its payroll and the remaining were hired through staffing agencies.

In the last month of 2018, around 1,200 workers went on a rampage, pelting stones on the administrative building of a Chinese based smart manufacturing unit in Noida. Nearly 200 workers were sacked without prior notice. According to reports, the workers were hired on a contract basis, and their contractor was told not to supply manpower owing to a scarcity of raw materials. Following that, the enraged workers resorted to violence.

## **Background**

The CLRA specifies the responsibilities of the major employer and the contracting agency, and forbids the employment of contract employees in certain circumstances. According to the CLRA, contract labour shall not be used in specific firm operations that are seasonal in

nature and are normally performed by regular employees. The CLRA was largely created to govern the hiring of contract workers and to protect them from exploitation. The government adopted the option of fixed-term employment in the Code on Industrial Relations to discourage the use of contract workers, considering the prejudice they face in compared to permanent employees (2020). The CLRA has been absorbed into the Occupational Health, Safety, and Working Conditions Code 2020 (OSH Code), which has been passed but not yet implemented.

When Covid hit the world in 2020, there were a lot of confusions in how to manage the business and workforce and a fear of being vulnerable to the “Wuhan Virus”. There was a fear of the attack virus among the workmen for the following reasons: first being that they belong to the low social status forcing them to live in poor conditions; secondly, their economic status and the access to affordable healthcare; thirdly, the stigma and mistrust aggravating the uncertain environment.

As HR managers, do we know the procedure of terminating a worker? Is ‘*audi alterem partem*’ a right of every worker?

The etymology of 'notice' is 'notitia,' which literally means 'to be known' in Latin. For any disciplinary hearing to be done of the worker a notice should be issued first. This is because the worker cannot defend himself unless he understands the subject and problems involved in the case and the reason and context for which an action is being taken. A notice must contain adequate information regarding when and where the incident happened, the authority of law under who the hearing is to take place with a mention of the specific charges foisted on him. The adequacy of notice will be determined by whether it provides sufficient information and material to enable the person receiving it to mount an effective defence. In front of an administrative authority with adjudicatory powers, a person has the right to know what evidence will be used against them. A person may be allowed to look at a file and make notes on it. Whatever approach is utilised, the essential concept remains the same: nothing should be used against someone who hasn't been informed. He has the right to present his case in writing or orally. The person has the right to rebut adverse evidence against him either by cross examination or legal representation. Moreover, no *ex parte* evidence can be taken in the absence of the party concerned. The term 'institutional or anonymous decisions' refers to the concept 'one who decides must hear,' which is widespread in common law jurisdictions. Many administrative processes, unlike law



courts, are not determined by a single person from start to finish. Often, one individual hears something and then makes a choice. The split of responsibility might work against the idea of a fair trial. Any administrative authority with the ability to make judgments must utilize that responsibility to make its own decisions. He will have to make the final decision. As a result, if a decision is taken based on the recommendation of a third party, the right to a fair hearing is infringed upon. Failure to summon defense witnesses at the government's cost owing to financial incapacity constituted a breach of natural justice principles unless the authorities concluded that the evidence of such witnesses was not significant. Every administrative procedure does not need that everything be done by the same official. He can enlist the help of his subordinates. The administration would grind to a halt if this were not the case, because it is already omnipresent, entering freely and deeply into every aspect of an individual's life. In many circumstances, especially in disciplinary matters, the investigation is delegated to someone else, and when the report is delivered, the relevant authority acts. In these situations, a very clear issue arises: "Is a copy of the enquiry officer's reply provided to the charged employee before the responsible authority makes a final decision?" Natural justice may appear to be a basic premise, yet it contains the complete story of justice, from notice through post-decisional hearing.

The role of any Employee Union is to protect the rights and employment justice of their employees. In this case, sheer negligence in administrative and collective bargaining lead to the fall of a genuine and straight forward leader. A stronger labour union is linked to a narrowing of the wage-productivity gap. Productivity improvements are more closely matched by increases in real wages and workers' compensation in industries where trade unions are more active(Zavodny 1999). By analysing a macroeconomic panel of OECD nations between 1985 and 2007, research indicates that salary increases have outpaced productivity growth for permanent workers, while the converse is true for temporary workers due to their poor bargaining leverage(López-Villavicencio and Silva 2011).

The pandemic and the subsequent widening income gap have affected many worldwide more so the global south like India. Humans who are at the bottom of the pyramid are affected the most. However, in times of pandemic-induced lockdowns, the topic of quality of life and the extent to which increasing wealth might help ameliorate poor quality of life is an important consideration(Raj and Aithal 2020).

## **Problem**

The Sun has set on the horizon and the birds fly westward to their roosting place. Whereas Prem, still waits to meet his lawyer regarding a pending case filed by him in the Labour court, in Chennai. Prem aged around 36yrs is a self-made man, a loving husband, and a caring father to two toddlers. He has been sacked without any reason by his contractor during the pandemic. Prem joined the now Maharathna company, 15 years ago, as a contract workman after his father's untimely death in the same Company. Prem is the most vociferous and straight-forward workman and has been elected to lead his workmen of the Plant located in Chennai North for the last 6 years. He is a hard-working, generous, and sensitive person with conviction to fight for the rights of his workmen unperturbed by the threats from the Employee Union (EU). The Contract Workmen Union (CWU) is a subset of the EU where only the Secretary and the five working representatives are elected amongst themselves. The decision and the power of control rests with the EU.

The Corporation is a leading energy major which values Care, Innovation, Passion and Trust as its pillars of strength. The company is the leading supplier in each of the main product categories – automotive lubricants, industrial lubes and greases. The Company has nearly 9 Blending Plants in India and their brand holds 27% of the stake of domestic demand. The North Chennai Plant caters to all the Southern states lube consumption and works in 2 shifts. There are 25 officers, 80 white and blue-coloured workmen and 180 workmen (both men and women).

On June 25<sup>th</sup> 2020, at around 10.00hrs Prem along with his workmen from both the shifts, went on an uninformed strike. The workmen were asked to come during the nationwide lockdown without any guarantee or assurance for the safety of their life from the virus. Most of them stayed in and around the Plant whereas there were some of them who had to travel from places like Minjur, Redhills, Chrompet, Mogappair and were left with no arrangements and facility for travel. They do not own any vehicle and depend completely on public transport to travel to and fro. The Management had instructed only the shift officer and the minimum required staff to be present in office and had arranged for their transport and allowances. The Management willingly accepted to pay overtime compensation to the officers and staff since they were deploying their services during such unprecedented times. Whereas all the contract workmen were instructed to report for duty failing which no wages will be dispersed for the absent days. In fear of loss of their job and

to sustain their livelihood, some workmen managed to report to work, finding ways to explain to the police authorities when intercepted while travelling. Since, only few of them managed to report to work, the production and targets of the company were not achieved for the year-end 2020. The Company declared a productivity loss and blamed the contractor since his workmen did not report for duty. The contractor had issued letters to workmen and ordered all to report to work the next week. However, fear of life and inability to travel forced the workmen to stay safe at home. On one side, as citizens they had to abide by the rules of the State and on the other obey to the threats of the contractor.

Another concern was that the workmen were not paid wages and overtime compensation for two months inspite of CWU's persuasion and follow-up with the Contractor through the Principal Employer. They managed to bring the whole Plant to a complete halt and the transport of lube products was affected for nearly 3 days in a row. The Management along with the help from the local Police persuaded them to call-off the strike but in vain.

In spite of the orders issued by the Ministry of Labour and Employment, New Delhi dated March 20, 2020 to all Employers Association (Exhibit 1), to extend their coordination by not terminating particularly the causal and contractual workers from job or reduce their wages, and not to deduct wages if he chooses to take leave, the Management and the contractor along with EU had plans to sabotage the life of Prem.

The contractor too had faced a huge loss and the Management did not support his business by any form of compensation. The contractor was forced to take his frustration of the loss on his workmen and hence stopped their wages for the month of June 2020. On July 5th 2020, when their salaries were not credited into their bank accounts, the workmen were upset and agitated. Prem in consultation with the CWU delegates spoke to the contractor to enquire about the salary disbursement. The contractor was firm on his decision and insisted all workmen return to work if they wanted salary. Prem took the matter with the Ministry of Labour and Employment and sent a mail, since he was their leader. The Ministry had directed the State Labour department to handle this matter and ensure speedy justice to the workmen.

While this was brewing cold online, the ground reality at Chennai North was hot and heated. The few workmen who reported to work were asked to do overtime and were exploited. They too were not paid their overtime compensation since March 2020. On June

24<sup>th</sup> 2020, all the workmen decided that the next day they will go on indefinite strike till they are paid their wages. The Regional Labour Commissioner, Chennai was informed about the happening and Prem and the delegates were called for negotiation, the next week. On July 28<sup>th</sup>, all the workmen except one, were asked to report for duty after the Principal Employer assured them their back wages within 14 days. The Plant resumed work from July 29<sup>th</sup> 2020 with 179 workmen.

On June 25<sup>th</sup>, Prem was issued a show cause notice (Exhibit 2: sent online to his mail ID; not issued in hand) with charges for not reporting to regular work since the last one year. He had replied to This came as a surprise to him since he thought he will be asked to give an explanation for the uninformed strike and knowing the internal politics, he decided to underplay the game for the benefit of his workmen. The delegates and the workmen were unaware of the happening till Aug 10<sup>th</sup> when their salaries were credited respectively and he was not given a salary slip. The delegates were furious but Prem, the confident person he is, still fights the legal battle alone. Prem feels that his 179 workmen are not the only ones who depend on the job but 537 lives (including the families) will be at stake if he forcefully resorts to unlawful means like the earlier mentioned incidents in Bengaluru and Noida.

He was not allowed inside the Plant immediately after the notice was issued to him. He is wary of the procedure in which the notice was issued to him. Neither the supervisor nor the contractor sought an explanation from him and directed him to the Labour office. They considered that issuing a show cause notice alone is termination itself. He has been knocking the doors of the Regional Labour Commissioner (RLC), Chennai, ever since, seeking a remedy but in vain. On Dec 2020, the Conciliation officer issued a certificate to proceed the case further in the Labor Court (Exhibit 3).

Will he be given a chance to be heard? Is it his right?

## **Conclusion**

Domestic inquiries are the first line of defence in an inquiry of a worker's suspected violation or wrongdoing. They are also the ones where a worker is most actively involved, and they're more casual. As a result, they are not governed by the same procedural and evidentiary norms as a court or tribunal. Because all employees may not be qualified to

pursue a case in the official adjudication system, they become the most essential form of inquiry for the worker.

Especially in light of the present epidemic, when the formal legal system's efficiency has plummeted and only the most serious cases are heard, it's critical to guarantee that these home investigations are performed honestly and without prejudice to the innocent and uninformed worker. By creating good faith, this will aid in the maintenance of harmonious relations and trust between the employer and employees. Furthermore, in general, and particularly in the current circumstances, security of tenure is required to maintain the country's economic success and the well-being of workers. As a result, no employee should be fired solely on the basis of management's whims.

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## Exhibits

### Exhibit 1



**Kalpana Rajsinghot**  
**Joint Secretary**  
 Tel. 2371 6835

श्रम एवं रोजगार मंत्रालय  
 भारत सरकार  
 श्रम शक्ति भवन, रफी मार्ग,  
 नई दिल्ली-110119  
**MINISTRY OF LABOUR & EMPLOYMENT**  
**GOVERNMENT OF INDIA**  
**SHRAM SHAKTI BHAWAN, RAFI MARG,**  
**NEW DELHI-110119**

D.O. No.M-11011/08/2020-Media

March 20, 2020

Dear

The World is facing a catastrophic situation due to outbreak of COVID-19 and in order to combat this challenge, coordinated joint efforts of all Sections of the Society are required. In view of the above, there may be incidence that employee's/worker's services are dispensed with on this pretext or the employees/workers are forced to go on leave without wage/salaries.

In the backdrop of such challenging situation, all the Employers of Public/Private Establishments are advised to extend their coordination by not terminating their employees, particularly casual or contractual workers from job or reduce their wages. If any worker takes leave, he should be deemed to be on duty without any consequential deduction in wages for this period. Further, if the place of employment is to be made non-operational due to COVID-19, the employees of such unit will be deemed to be on duty.

The termination of employee from the job or reduction in wages in this scenario would further deepen the crises and will not only weaken the financial condition of the employee but also hamper their morale to combat their fight with this epidemic. In view of this, you are requested to circulate this Advisory to the Employers/Owners of all the establishments registered with your Association for compliance.

With regards,

Yours sincerely,

(Kalpana Rajsinghot)

**All Employers' Associations**

Exhibit 2

Dated: 25.06.2020

Mr. G.Pr [REDACTED]  
 (Haulage Worker)  
 [REDACTED]  
 Chennai-600081

**Subject: Show Cause Notice.**  
**Ref: Haulage works at I [REDACTED] Chennai.**


Dear G. Pr [REDACTED],

It is noted from records that you have remained absent from work, without information, in last twelve months as per details below:

S.No.	Month	No. of Days of absence
1.	June 2019	0
2.	July 2019	0
3.	August 2019	12
4.	September 2019	11
5.	October 2019	3
6.	November 2019	12
7.	December 2019	3
8.	January 2020	8
9.	February 2020	6
10.	March 2020	14
11.	April 2020	26
12.	May 2020	26
	<b>Total</b>	<b>121</b>

Please note that wages being paid to you are agreed wages and one of the conditions of payment of agreed wages are acceptance of conditions stipulated in Annexure -A. It is observed from records that you have remained absent for more than 30 days in last one year and have thus violated the stipulations of the MoS.

Exhibit 3



**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR & EMPLOYMENT  
OFFICE OF THE DY. CHIEF LABOUR COMMISSIONER (CENTRAL)  
NO.4, HADDOWS ROAD, SHASTRI BHAVAN, CHENNAI-600 006**

No.M.8(8)/2020-B4 Date : 07.12.2020

**CERTIFICATE TO BE ISSUED BY THE CONCILIATION OFFICER AS PROVIDED UNDER SECTION 2-A OF THE INDUSTRIAL DISPUTES ACT, 1947**

(TO WHOMSOEVER IT MAY CONCERN )

This is to certify that Shri G.P. [REDACTED] filed an industrial dispute under Section 2-A of the Industrial Disputes (Amendment) Act, 2010 in the Office of the ASSISTANT LABOUR COMMISSIONER (CENTRAL), CHENNAI consequent upon the order terminating his services by the management of [REDACTED] Private Limited, Chennai received by this office on 28.09.2020

2 The Conciliation Officer & Assistant Labour Commissioner (Central) took up the matter, and Conciliation Proceedings were held on 21.10.2020, 23.11.2020 & 7.12.2020 As on date, no settlement has /could been reached. Now, the Applicant wants to discontinue the present conciliation process and to take up the matter with the Central Government Industrial Tribunal-cum-Labour Court directly under subsection (2) and (3) of Section 2-A of the Industrial Disputes (Amendment) Act, 2010. The mandatory 45 days of filing the dispute before the Conciliation Officer as provided under Section 2A (2) of the Industrial Disputes (Amendment) Act, 2010 has been completed on 12.11.2020

3 Since Shri G.P. [REDACTED] felt that his case is being delayed, he sought for a Certificate during the proceedings/hearings held on 07.12.2020. This Certificate is being issued to him exclusively for the purpose of enabling him to approach the Central Government Industrial Tribunal-cum-Labour Court, No.6 Haddows Road, First Floor, "Shastri Bhavan", Chennai-600 006 for adjudication of the dispute. The workman is advised to file his dispute before the concerned **Central Government Industrial Tribunal-cum-Labour Court, No.6 Haddows Road, First Floor, "Shastri Bhavan", Chennai-600 006.**

(R.SIVAKUMAR)  
CONCILIATION OFFICER &  
ASSISTANT LABOUR COMMISSIONER  
(CENTRAL) CHENNAI

To  
Shri G. [REDACTED]  
[REDACTED]  
[REDACTED]

Copy to

1. The Secretary to Government of India, Ministry of Labour & Employment, Shram Sakthi Bhavan, Rafi Marg, New Delhi 110 001
2. The Dy.Chief Labour Commissioner (Central), Chennai
3. The Plant Manager, [REDACTED]
4. Shri Ashok Kumar, Director, M.s P [REDACTED]

CO & ALC(C)I, CHENNAI



## Persuading The Unconvinced: The Break Story

B Aiswarya<sup>a\*</sup>, G. Ramasundaram<sup>b</sup>

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### Abstract:

The principal of a reputed school feels that students must be accompanied with teachers during the break timings also in the canteen. The students are reluctant because they want to be free and not be supervised at least during breaks. The teachers are also a bit hesitant because they want to relax in-between class hours, only during the break timings. The non-teaching and the supportive staff were asked not to move to canteen for tea, leaving their work unattended for quiet a long time, for which they were also showing resistance. The case revolves around how each group is trying to persuade the other with their valid arguments. The decision of the case is left open.

**Key words:** *Employer-employee relationship, work environment, rules and norms, employee resistance.*

Maths's teacher, Mrs. Renuka: You seem to be very relaxed, finish your tea quickly, we will have to walk back to class in five minutes, Its already hot and sweating.

Language teacher, Mrs. Dolly: No madam, I don't have a class next hour, let me spend some time and come back leisurely, you proceed.

Mrs. Renuka: In the month of march, it is so hot, atleast we can manage with umbrella walking up and down for tea and lunch break twice a day. What do we do during rainy seasons?

Mrs Dolly: Yes, this is a matter of concern.

Mrs. Renuka: Even in the canteen we find time to catch up among teachers only, what is the point to troll down here. None of us are interacting with students.

Mrs Dolly: Students are reluctant and hesitant to approach the teachers, they want to have fun among themselves. In fact, they are feeling uncomfortable to have us around. Don't you think so?

Mrs. Renuka: I have a mixed feeling let me check with them in the class. Ok let me make a move madam. see you!!

Mrs. Renuka rushes to the class.

This conversation was the result of the circular that was sent from the principal's office Mrs. Thatcher, the proud principal of an age old, reputed school known for student discipline. The circular for the teachers stated the following:

‘The management is requesting the teachers to accompany the students every day to the canteen to have their tea and coffee and other refreshments. In a way it will initiate an informal interaction with the students and help the teachers to understand the behaviour of students and facilitate better teaching learning experience. If teachers are present around students, it will also help to void off any misbehaviour and unsupervised slot during the working hours in the school. It is this breaktime and lunch time that will create a room for silly fights, bullying, ragging, passing comments, girls boys' interaction, etc among the students who are in their vulnerable and formative growing stages. The circular requests the teachers to have tea and food in the canteen hall along with the students in the same timings as well.

So, the principal is proud that she has identified a simple solution to put an end to needless problems even before it occurs. Madam had recently heard from a friend of an incident in the school canteen of a famous school in the same city. Due to eve teasing the girl had discontinued the school and refused to continue her studies. The parents had complained against the school, the school had to act, there was student suspension and counselling session was held for students. The news spread, there was damage to reputation, curriculum and classes were disrupted, there was mental trauma, ill feelings and a legal case was filed. The school had to undergo a painful process.

She was rewinding this incident in her mind for quiet sometime, so after two three days she called for a meeting with few senior teachers to discuss this, as to what will happen if it was their school.

The teachers though well understood the seriousness of the issue, they were trying to convince the principal that such incidents will not occur in this school and added that the principal worrying is unreasonable when things have never happened. They also added that most of their students are from good families, many of them are children of their own alumni, their children are well disciplined and groomed and they will not be upto such unruly, and indecent behaviour.

However, after a long discussion, and despite resistance shown, by the teachers the principal had executed what she wanted to, this had badly hurt the teachers, that their views were though heard, it was not considered for implementation.

In the circular, the teachers felt that throughout the day they are caught between back-to-back classes, paper corrections, some reading and writing for classes, labs, and other student related activities. This few minutes of tea and lunch is the only break they stay quiet to compose and get ready for the next class. This is the only time they get to even interact with their colleagues about some happenings in the class. Therefore, the teachers do not want to spend time, walking up to the canteen for five minutes sweat it out and come back for class. Similarly, they are also preferred food to be had in the staff room itself and tea and snacks provided by the school to be served in their respective tables. Moreover, the teachers felt that the break timing should not be made formal and made to be compelled to work on some grounds. So, they all signed a letter to be sent to the principal stating all their thoughts against the newly put-up norms.

In the meantime, there was an oral instruction for the non-teaching and supportive staff that they remain in their places for tea during their break timings and not move out for refreshments to the canteen, that will be served in their respective workplaces, and that the lunch should be taken in their workstations only.

The principal expressed that supportive staff, and their jobs cannot be left unmanned even for a short while, like the librarian, maintenance, cleaning staff, drinking water, attender, administrator, etc.

If for the sake of tea and lunch, these places are closed, it takes a longer time than stipulated to return after a chit chat, which results in confusion and unnecessary delay in work. For instance, if a student must refer, borrow, or return a book in the library, he or she will prefer to go only during the tea breaks and lunch breaks not in-between the regular class hours. If the library is closed and if the librarian leaves the place for having lunch in the canteen it doesn't serve the purpose of helping the students. So to make all the functions student friendly the principal came up with this norm, Similarly for other in charges also, the same instruction had to be followed like lab in charge, stationery stores in charge, health station in charge, help desk, etc.

The non-teaching staff claimed that their jobs are mundane day in and day out. What is worrying is if they interact for a short while just to de-stress. They even suggested that it could be different lunch timings for them after the students leave for class, but that too was denied because for reasons that it is just going to be a platform for gossip and constructive conversations are not going to happen.

It was surprising because, the teachers do not want to move, but they are asked to, on the other hand the supportive staff wanted to come together for lunch and tea in a common place like the canteen, but they were instructed not to. Was it right? Or intentionally done against, or it is logical?

The students also feel that the teacher does not want to be seen around in the canteen during tea and lunch breaks. They want to be on their own. Someone wants to crack a joke, some calls out for a song, there will be games, some activities, which will create a good relationship and fun among the students, that will be hindered and curbed when a teacher is around to monitor. The students feel they are not free even during their break time.

Madam principal on discussion with the correspondent wrote back to the teachers stating that their point and arguments are totally agreed upon, however the primary goal of the school is to take care of the students with the support of the teachers and that is what is promised to the parents irrespective of class timings or break timings. The principal claimed that she does not want any untoward incident to happen or give room to happen.

Moreover, it will be a change for the teachers to just have a walk down to the canteen for five minutes, conversing with the students, which is a natural stress buster and a physical exercise. She felt that staff rooms where all the books, sofa and tables are laid, the smell of food inside the air-conditioned room, attracts rats and insects inside the room. Furthermore, there are a mix of teachers who are vegetarian and non-vegetarian. The smell of nonveg food inside the staff room is a matter of concern for others. This issue was raised by some of the teachers a couple of months ago.

The letter mentioned that the teachers will bring their own tea from home in flasks, if forced to have only in the canteen. The principal replied that the school has no objections on the same, the principal said the concern is not the tea from where it is brought, it is where to have it, therefore no one was stopping the teachers to bring their own tea provided they have it in the canteen premises.

Also, the food is to be had in the eating spaces is only to avoid wet food being spilled inside the working spaces, and the food waste dumped inside the dustbin causes a bad smell until it is cleaned the next day.

Considering all the above-mentioned issues the principal strongly recommended that the teachers and the supportive staff follow the standard operating procedures laid by the principal's office.

### **Teaching Notes**

#### **Case Usage:**

**Level:** Post graduation level.

**Course:** Management, Business Administration, Human Resources, Psychology.

#### **Learning Objectives:**

1. To understand the work environment and the workers psychology.
2. To learn the art of persuasion and work against the employee resistance.

#### **Discussion Questions:**

1. Is the Principal's assumptions and fear, right?
2. Can the teachers argue, when they are not given a choice, but to follow the school norms?

#### **Theory Discussion:**

The theory behind the case is to be discussed on the grounds of resistance to change. Resistance to change is a complex phenomenon where, employees resist instantly to any kind of change, irrespective of good or bad. The process of unlearning, learning, and relearning mechanism should be tried out initially.

#### **Answers to Discussion Questions:**

1. When employees have used to a particular system it is very difficult to break habits overnight. A lot of conviction and persuasion is required. The point of discussion and argument is that, should we really address an issue even before it has occurred. The principal is right in her own beliefs. However, the process adopted to change an existing norm or introduce a new norm must be carefully handled. Just a simple

circular in one shot will initiate resistance. Innovative mechanism can be discussed to roll out a new norm in place.

2. Teachers are not arguing, they are only reluctant. If this norm is forced, there is doubt on the quality of the output. The success of the whole process lies in the art of convincing the employees. How to do it pleasantly and creatively is the domain of discussion.

**Teaching tips and activities:**

The class can be divided into five groups. And asked to choose their roles, as teachers, principal, students and non-teaching staff and parents. The discussion may start in an argumentative manner and end up in discussion and the class faculty will jot down the different ideas, and creative means to address this issue. Though it looks very simple, improper handling will affect all other allied work activities.

## **Role of Trade union at M/s. Alpha Beta Gamma & Company**

PC Lakshmi Narayanan

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### **Caselet**

M/s. Alpha Beta Gamma & Company is one of the leading firms in Chennai. It had 3 partners namely, A, B & G. Mr. A is the Managing Partner and took active part in the day affairs of the business. The firm exports apparels to countries, like, Italy, France, U.K., Thailand, Malaysia, and Singapore. It had around 200 employees on its payroll. 158 employees are members of registered trade union of the organization. One of the conditions laid down in the byelaws of the trade union is that to become a member of the union, an employee must have put in at least five years of completed service in the organization. 40 employees had less than five years of experience, and hence, were not part of the union. Normally, the salaries of employees, who are part of union is much higher than the non-union employees by 30%.

The style of management was autocratic. Union was not consulted even in the matters affecting employees' welfare. The office-bearers of the union on their part remained passive in order to be in the good books of the management and pledged their rights to the management.

Out of 40 non-union employees, six employees were highly skilled, sincere, and dedicated to their work. Their work culture caught the attention of Mr. A, the Managing partner and he decided to reward those six workers as a sign of appreciation and by convincing other partners, increased their salaries by 30% i.e., to make it on par with the union employees. This act by the managing partner was not liked by the other 34 non-union employees, as their salaries remained the same.

Few non-union employees met Mr.A requested him to increase the salaries for all the 40 employees but their request was turned down. As a last resort, they represented the matter to the union office-bearers in an informal way, as they are not members of the union. Their main contention was, “**equal pay for equal work**”. They further explained that they are frustrated, and it had created a permanent division among non-union employees.

The office –bearers of the union after contemplating for two months over the issue represented the matter and asked the management to bring in parity in salaries among the same category of workers. Mr.B & Mr.G were personally unhappy regarding the increment given to the six employees, because it had resulted in more cash outflow. Therefore, as soon as the union represented the matter, they convinced Mr. A about the consequences and reduced the wages of six employees by 30% after paying increased salaries for two months, in order to make it uniform for all the 40 employees.

As far as the union is concerned, they were happy because, their request was honored by the employers. Motivated by the success, the union pressurized the management to consult them in all major policy decisions of the firm and consequently the union became more aggressive and became a hindrance in the process of decision making at M/s. Alpha Beta Gamma & company.

**Case Analysis:**

**Analyze the industrial relations climate, especially the role of trade union and record your views.**



## **Decision making by a Woman Employee on the career prospects – Chance or Choice**

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### **Abstract:**

In India, majority of the working women are predominantly doing jobs that are not their choice but have got it as a chance. This is because it provides good monetary benefit which helps them in the financial support required to run the family. Today women also have become an equal partner along with men in the family economy race by contributing in all ways to run the family and attain a fair status quo in the society. In this race and with a responsibility to family, today's women folk are forgetting their true passion and compromising on professions just for the monetary benefits they get as pursuing their passion will not support them the same way. This case study reflects the situation of one such woman with a dilemma of whether she should pursue her profession of "Choice" or "Chance"

### **Introduction:**

A woman turns out to be an exceptional contributor and an inspiring leader when she is given an opportunity to pursue the career of her choice and when the career is choice-based it gets reflected as a successful output in every step of her career. No problem is a problem, no challenge is a challenge as she loves her career and it's her passion. One cannot stop a woman who is really doing something with passion but in case it turns out to be that the woman is working on a job or pursuing something that's not her forte, the impact is very serious and turns out to be a failure and leads to women working under pressure and stressful conditions.

### **Problem Statement:**

Likitha is a management graduate who has a wide experience of more than 10 years in the Finance domain. She has worked in different verticals and is quite an expert in various core financial aspects. However, Finance is not the subject of interest for Likitha. She has developed herself in the field out of compulsion of her financial needs but not out of choice. There are times when she feels desperate to stop working in this field. She works for chance

but not out of choice. She wants to stop her financial career and venture out and try pursuing her interest but can't as she gets paid well in this field. But her choice of being a People/Life Coach does not guarantee the same. She's in a dilemma as to whether be in the finance field for monetary benefits and have a dissatisfied professional life or stop and start pursuing her passion compromising on the financial end but nurturing her passion and pursuing her interest.

**Background:**

Likitha has had a very challenging upbringing as she had faced severe financial crunches in her family until she graduated. Her education predominantly has been on scholarships and sponsors. Her life has been filled with various challenges which forced her to settle on a career that came as a chance which paid her good monetary benefits. She forced herself to pursue it out of family compulsion. But Likitha had an innate interest in Training and Development and would be an excellent People Coach. Out of her personal interest, she took part in various HR initiatives in her organization. She tried to find opportunities in the HR team to diversify her career and pursue her passion, but she did not find any opportunity. She had many challenges with the team she worked with, as they were all Chartered Accountants (CAs). The expectation is high which at times is beyond her normal capability of a management graduate. So, at times due to her inability to cater to the high expectations, she felt stressed and frustrated in her career.

**Proposed Solutions:**

Likitha here can take few decisions that might be relevant to her situation and based on these options which she chooses her future may turn out be more enterprising, peaceful, and productive.

1. Reviewing the financial needs of the family and discussing the situation in her workplace, she may quit the current job and pursue an alternate career of her choice. But this may have a huge impact on the financial status as her choice of alternate career. It may not pay her well, as she gets with her current profile in Finance, for which she might have to plan accordingly.
2. In case she decides not to compromise on the financial end, then she needs to involve fully in her current role as a finance professional and equip herself more in Finance and set aside her passion.

3. As a third option to involve fully in her current profession and equip herself, but also consistently participate with her company Human Resource (HR) in people initiatives and support them externally in Training and Development initiatives inside the organization.

### **Recommendations:**

As a woman, being able to empathize with Likitha's condition, the author would like to suggest that she takes decision based on her family and financial conditions.

- Likitha may not be able to pursue her passion without a strong family support and based on the demands of her family's situation, she needs to be strong and continue with the finance job by being more assertive and catering to the needs in the best possible way.
- Incase she's able to get support from her family and have a manageable financial status, she may find relevant alternate options for her plan how to shift over in a gradually and start pursuing her passion.

### **Conclusion:**

The above case study reviews the challenges faced by career-oriented women and the tough decision they need to make to be successful in their professions. Their decisions are going to impact their family and career life, hence making right decisions are utmost important. The decisions can be made by discussing with experienced people or seek help of expert counsellors and peer support. Nowadays organizations have developed employee support systems which are focusing and supporting women to make alternate career choices which support them in becoming more enterprising and contributing as leaders to the society and humanity at the large. Give a woman a chance, she will make a change, but give a choice she will make a revolution.

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## **Leadership and the Art of Storytelling – The Case of Vitara**

R Deepa

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### **Abstract**

This case tries to understand the role of storytelling in enhancing Corporate Reputation, through a case scenario. Corporate Reputation for an entrepreneurial venture involves both the organization and the leader. Many a times both internal and external customers cannot tell apart the leader from the organization. Reputation management for the organization is then, the reputation of the leader. So, to build corporate reputation or when corporate reputation is at stake, communication through effective storytelling becomes imperative. The story brings out the characteristics, history, culture, emotions, and personality of the organization, through the eyes of a protagonist who may also be the leader of the organization. Effective narratives through the leader help the organizations sustain corporate reputation and brand value. In addition, it aids in internal brand management where employees can also be emotionally involved with the brand, leading to better commitment, engagement, and retention. This case touches upon how bad reputation for an organization can be overcome through positive storytelling that will help employees and external stakeholders to emotionally invest in the organization and lead to positive brand perceptions.

*Keyword: Corporate Reputation, Leadership, Storytelling, Internal Brand Management*

### **Introduction**

“CEOs who know about storytelling and strategy will bring people along. Storytelling allows you to connect with people and allows them to participate in the story as characters. They will be brought along through the journey. This is not a formula. The CEO must get this in his core” — Tom Sabatino, Executive Vice President and general counsel, Schering-Plough

This case on corporate reputation and storytelling, brings to light how perceptions, attitudes and behaviours of internal and external stakeholders are shaped by well-crafted corporate stories. “Storytelling is an informal process that facilitates the transfer of tacit dimensions of critical knowledge through internalization and socialization” (Nonaka and Takeuchi, 1995). When the corporate reputation is questioned, such corporate stories help the stakeholders to see their organization in its full glory thereby yielding joy, emotional

attachment, and contentment. “Internal stakeholders perceive a corporate brand positively if the related brand stories such as corporate associations, corporate values, corporate personalities, and corporate culture are intertwined to the sum of a whole” (Nyagadza *et al.*, 2020). Positive emotions triggered because of the corporate story, evoke the right perceptions in the minds of employees and others to have a lasting impact on their brand perceptions and corporate reputation (Mittins *et al.*, 2011). Social media handles like Twitter, Instagram, LinkedIn, Facebook, YouTube, and company websites carry the corporate stories in the form of blogs, write-ups, news items, corporate videos and short films that have a lasting impression in the minds of internal and external stakeholders. While positive corporate stories are company-initiated, organizations run the risk of handling negative emotions and negative storytelling through word-of-mouth and other negative episodes like bad customer reviews or competitor misgivings. It is especially at crucial junctures when the corporate reputation is at stake, that it becomes a litmus test for employees to stand by their organization and leader or leave for greener pastures. Such scenarios propelled by cut-throat competition are a threat to both the product market and the labour market. Thus, effective storytelling may strike a chord with both internal and external customers emotionally, thereby helping the organization to bounce back from negative PR<sup>1</sup> triggered by negative emotions and hate posts in social media handles. Positive narratives through storytelling help employees overcome negative emotions, so that they in turn become brand ambassadors of their organization, thereby propelling the story forward to include workplace fun and happy memories. This is bound to erase negative memory and create positive perceptions in the minds of employees and customers that is also ingrained as a part of the organization culture passed on to generations (Nyagadza *et al.*, 2020).

Storytelling come in many forms and one important form is called as micro-movies or short films in common language. Micro-movies help the viewers to resonate with the story plot and the characters much like a movie, thereby invoking empathy, trust and an emotional connect that will affect their attitude towards what is being shown (Li and Liu, 2020). Also called as video stories, there are central characters, a plot that is creative and at best authentic. Answering 5 Ws or Who? What? When? Where? and why? is important for the writer and the storyteller (Keller, 2019). Storytelling through the visual medium is

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<sup>1</sup> Public Relations

reflective, making the audience to think through what is being told and experiential so that they can identify with the protagonist or the plot. A visual template like the Storytelling Canvas (Kernbach, 2018), provide a strategy and roadmap on how the story board can be sketched to tell an effective story through a micro-movie. Compelling stories contain the right mix of information and emotion. Compelling stories answer the following key questions as cited in the Storytelling Canvas:

**Topic:** 1. What is the story about?

**Audience:** 2. Who is your story's audience? What are their needs?

**Goal:** 3. What do you want to achieve with this story?

### **Before**

4. What does your audience think, feel, know, want before they have experienced your story?

### ***The beginning –***

5. Why is it useful and worth being excited about?

6. What from your past do you have in common?

7. How is the big idea conveying your unique perspective?

### ***The Middle***

Seven elements abbreviated as SUCCESS formula can be adapted to engage the story with the audience.

- Simplicity – Key point of the story is stated simply
- Unexpectedness – Throwing surprises, evoking curiosity in the plot
- Concreteness – Real and concrete examples and images
- Credibility / Truth – Provide proof / statistics
- Emotions – Through Images / Visuals
- Storyline – Explanation, Pitch, Drama
- STAR moment – Something That They'll Always Remember

### ***The End***

8. What are you asking the audience to do? What action you want them to take?

9. How will they personally benefit from the story? What's in it for them emotionally or materially?

### **After**

10. What does your audience think, feel, know, want after they have experienced your story? (Kernbach, 2018)

Thus, using such an approach can help develop authentic and emotional storyboards that can help individuals and organizations to connect with the story that is memorable and

meaningful. Another critical issue while considering storyboarding is whether the story must be of the past, present or future. Past achievements only speak of an organization that has crossed its prime, or a future that is too far in sight. Like Cary Fiorina, the CEO<sup>2</sup> of HP<sup>3</sup> knew the HP way, but she told a story where the past was the run up to the envisioned future. So, the right balance is required in telling the corporate story effectively (Dowling, 2006).

## **Background**

Pranav Partha was a tensed man looking through his window from his 18<sup>th</sup> Floor corporate building. Awards, certificates, plaques and magazine and newspaper cuttings adorned his walls and table. He looked around once more to remind himself of his journey that brought him here. Pranav Partha started Vitara Organic Foods for Ready mixes and Ready to eats as an ambitious venture when he realised many of his friends, his father's close associates and acquaintances had taken to organic farming. They had started producing many a farm products and pulses by organic means, which he first thought was more of a fad. When the market for organic farm products became huge, he realised that there is potential when given as ready mixes and ready-to-eat. So, combining both he started Vitara Organic Foods. The journey was not easy as there were already giants in the field. He had to differentiate Vitara from the others. After an initial lull and break-even, the products picked up steam for its variety that covered North Indian, South Indian, Continental, Chinese and various other cuisines. Available pan India, better taste compared to its competitors and organic raw materials used were its key highlights.

Pranav started from humble beginnings in Chittoor where his family resided. His father was a farmer who wanted his son to study well, take up a government job and take care of his family. Pranav did that and more. He went on to complete his PGDM<sup>4</sup> from IIM<sup>5</sup> Calcutta (Kolkata) and took up a top position in sales with Unilever and was posted in Maharashtra. That is where he learnt the tips and tricks of FMCG<sup>6</sup> retail before starting out on his own. He quit and travelled the length and breadth of India on his savings, just to devour various cuisines and worked on the possibility of converting them into ready mixes.

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<sup>2</sup> Chief Executive Officer

<sup>3</sup> Hewlett - Packard

<sup>4</sup> Post Graduate Diploma in Management

<sup>5</sup> Indian Institute of Management

<sup>6</sup> Fast Moving Consumer Goods

He knew there was more than Rava Idli and Rava Dosa that could be ready mixes available as ready-to-cook or ready-to-eat. When he was experimenting with one such food item in his mom's kitchen, he picked up turmeric powder from the packet he got from the market. His mother retorted, "Why are you using this? Use what is in our house, it's organic without pesticides produced in your dad's farm." That was a great aha moment when he went in search of his dad. He started using all that his father produced like turmeric, red chilli powder, pulses etc.,

### **Problem**

The growth of Vitara was phenomenal in a span of eight years. The food processing was hygienic with stringent quality controls. They expanded to restaurants, food courts and even food dispensers in railway stations and airports in a couple of years. The marketing team resorted to huge advertising, showing off their hygienic quality-certified processing plants, their workers from the economically weaker sections and people with disability, the farmlands from where they source etc., His employees were happy to see themselves grow along with the organization. They became General Managers from interns, became shareholders, and took home hefty incentives along with ready mixes. All was well until a tip off to the Food Safety Authority (FSA) made them visit a supermarket. A random pick of three to four packets of a ready breakfast mix had worms in them. It was all over the news with photographs when one twitter user commented "Hey its organic, no pesticides, so natural to have worms in them (sic)." It triggered a meme-fest where a group of men were crying "All we knew to cook was only Vitara products, now what do we cook?"

Pranav as a founder and leader was always behind the scenes, though he approved advertising campaigns or sales incentives. This slugfest was getting bigger and bitter, and he could not rule out the possibility of the direct hand of competitors in this. He had to do something as the Corporate Reputation was at stake. He received another blow a week later. His employees both in his processing plant and corporate office were being poached and there was an exodus to a few of his competitors. That is when he had called his Sales head, Marketing head, HR<sup>7</sup> Head and Plant head for a meeting. When everyone entered, he came back to his present. There was silence in the room. He began, "None of us are responsible for this..... yet all of us are. What should we do?"

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<sup>7</sup> Human Resources



## Proposed Solution

Each one had a perspective, but all hands eventually pointed to only one thing – Advertising. Advertising for not only the external audience but also for our own employees. The Marketing head acknowledged “Nothing works better than telling a story to all for an emotional connect.” The HR head agreed – “Yes, the emotional connect – that seems to be missing. They had everything...and with one black dot they are all emotionally weakened, and our competitors are making use of this vulnerable moment to the best of their interests both in the product market and job market.” The marketing head immediately said, let me get M&M our advertising agency on board, they may have something to suggest.

## The HR head agreed – “Yes the emotional connect – that seems to be missing”

Dinesh Roy from M&M and a good friend of Pranav from IIM joined over videoconferencing immediately. It just took a minute before he could load the video of “Bertha Benz: The Journey that changed everything.” Everyone watched the video in silence, which belonged to the official YouTube handle of Mercedes Benz. It was shot like a movie, had a story, and spoke of history. Dinesh said, “this was a story to tell, it had emotions, a feeling of pride and the history it wanted to share when the first automobile rode through Germany.” Everyone acknowledged. “We need a movie too. Don’t we? To tell of the humble beginnings of Mr. Pranav as a farmer’s son, the time he tasted Indian and other cuisine by travelling, to the time he built Vitara from a small kitchen in his house when he decided to go organic to where Vitara stands now.” Pranav for a moment felt good but laughed aloud. His amusement led him to comment “I remember from my history books when queen Marie Antoinette said to her people who were starving “If you don’t have bread, eat cake.” This sounds very similar - “Our Corporate Reputation is at stake - Let’s make a movie!”

But Dinesh was persistent, in the next couple of days he brought on board a bright short-film director. He went through his portfolio of movies, chose him as his art of storytelling was splendid and emotionally connected with the audience. The amount of research he did before he made a short film was phenomenal. But you must tell a story of

a leader in eight minutes, packed with visuals and testimonies from his close associates and his employees. Even the director was stumped. It was a challenge. Still, he undertook the challenge of building the storyboard by answering the questions of the Storytelling Canvas suggested by Dinesh and using the SUCCESS formula. For a short film director, this management insight of Dinesh brought a structure as well as out-of-box thinking for him.

The next question was who will be the protagonist? Pranav knew this question was coming up. He said a firm no. I don't want to be the face of the campaign like jewellery and textile ads he retorted. Dinesh and the director came up with a solution. "We'll show someone else as a younger you, but you will be the one we will finally end the film with." "Do I need to mouth dialogues?" asked Pranav, "You just need to speak the truth" came the reply.

The movie with its visuals and storyline was hugely successful. It immediately struck a chord with the audience. Employees at all levels who were part of the plot were elated to see themselves. They were equally overwhelmed to watch the journey of their leader and their company unfold from humble beginnings to what it is today. There was a sense of pride, a feeling that was only amplified by views, likes, shares and positive comments. The movie shared as a YouTube video in official Twitter, Facebook, LinkedIn, and Instagram handles was immediately picked up by the press and ad film reviewers. They were quick to criticise stating that the movie was intended to only remove the negativity surrounding the product brand of Vitara. Vitara's press release did not deny the claim, they acknowledged the fact but were quick to add one last sentence "Whatever we have put out in the video is the only truth!"

## **Recommendations**

Through the case scenario, the study recommends corporate storytelling to be an effective means of creating a positive emotional appeal for the brand that enhances corporate reputation, brand ambassadorship and employee retention. Corporate storytelling is also accentuated through multiple social media handles that may reach a wider audience and the type of medium either visual like ad videos, corporate films or written vlogs, or audio in the form of podcasts. Another particularly important medium has been print - books through which leaders have written their biography like *Losing my Virginity* by Richard Branson, *Steve Jobs* by Walter Isaacson adapted to the movie *Jobs*, *Delivering Happiness* by Tony Hsieh, *Alibaba, the house that Jack Ma built*, *Iacocca* an autobiography by Lee

Iacocca are a few examples. Some of them have also been made into successful feature films. There is no dearth of mediums or social media handles where integrated corporate communication can be consistent and coherent to reinforce a story that is compelling, emotional, and appealing for both internal and external stakeholders. It takes concerted effort, and a micro-movie can best add the right mix of emotions, enacting and storytelling to drive home the intended message in a subtle but powerful manner.

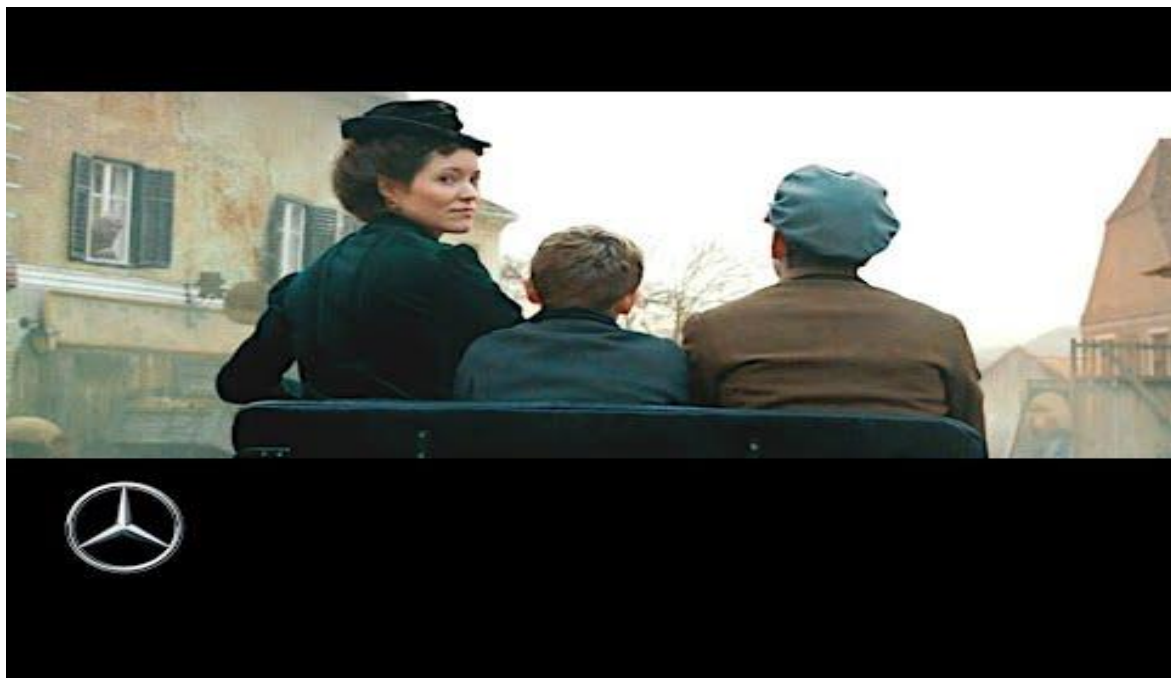
### **Possible Case Questions:**

1. Was the approach used in the case, correct? Could the company have done something else?
2. Discuss the growth of Vitara as seen through the eyes of Pranav Partha. Will the short film create an emotional connect in the mind of the audience?
3. Develop the plot for the short film using the SUCCESS formula.

The case is useful for teaching in Leadership, OB, Advertising and Brand Management

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## **Negative Impact of Consumer Fashion Trends on Sales: The Gillette Example**

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### **Abstract**

Across the globe, a paradigm shift has been observed as far as consumer attitudes to shaving their facial hair is concerned. Triggered by the fashion sense and sensibilities of many celebrities, there have been communities of men worldwide who have either totally abstained from using any shaving instruments or have adopted trimmers for their facial hair. This has negatively impacted companies like Gillette that thrived on men's regular shaving habits for years. The case deals with the new trend in consumer shaving behaviour and its corresponding impact on sales for the company Gillette.

*“The world's largest shaving product companies are facing a dance along a razor's edge as falling sales indicate a shift in western attitudes to facial hair.”*

### **Introduction**

Gillette, the brand which is a market leader in the shaving product category worldwide with a 60% market share has witnessed erosion in its sales not just in developed countries like the US and in various European nations but also in developing countries like India. A major reason for the declining sales trend has been changing male consumer fashion trends when it comes to facial hair. The acceptability of the stubble at the workplace, the economic downturn, certain religious sentiments in various nations, celebrity advocacy, escalating costs of razors and blades are some of the issues that have been identified to plague the sales of shaving products. However, P&G, the company behind brand Gillette has been found to make some significant strategic moves to counter the declining sales trend of Gillette products.

### **Evolution of Brand Gillette**

The Gillette Company was founded by King C. Gillette in the year 1901 at Boston in the US. The company at that point of time was known as a safety razor manufacturer. The first safety razor having disposable blade went on sale in the year 1903. In the year 1908, registration for the Gillette trademark was assigned to safety razors and blades.

Since its inception, Gillette as a brand has been known for innovation in the domain of safety razors and blades. In the year 1967, the Techmatic razor was launched. The razor was a system razor with a 'continuous band' meaning consumers would no longer have to touch the blade. In the year 1971 GII, the first twin bladed razor was launched. The first twin bladed disposable razor was launched in 1976 by and in 1977 the revolutionary pivot headed razor, Contour, was released.

The 1960s and 1970s witnessed Gillette's focus on blades while the 1980s and 1990s saw improved features being introduced for a smoother, more comfortable shave. Contour Plus, in 1985, heralded the first 'lubrastrip' (lubricated strip on safety razors) and 1990 saw the company's first ever Pan-Atlantic launch, with the introduction of Sensor in sixteen countries. Sensor featured the first spring mounted blades and shell-bearing pivot. In 1993, Sensor Excel was launched with soft, flexible micro fins designed to sweep hair up, allowing the blade to cut closer.

However there are many who believe that the introduction of Gillette Mach 3 range has been one of the most successful launches by the company till date since over 90 million men worldwide reportedly use a Mach3 family razor. This triple bladed shaving system was followed by Mach3Turbo in 2003, which was found to have a host of advanced features related to blade technology. In 2004 company came up with the M3Power razor.

In 2005, Gillette Fusion® shaving system was launched. It has been reported that Fusion razors are the first to have innovative technologies both on the front and back of the blade cartridge, with a five-blade shaving surface. In October 2005, Procter & Gamble (P&G) completed its merger with the Gillette Company which reportedly gave rise to the world's largest personal care and household products company. In 2010, P&G launched Gillette Fusion® ProGlide™ and Gillette Fusion® ProGlide™ Power shaving systems. Gillette Guard was also launched in that year which was a product aimed at the low income segment. In the year 2012, P&G launched Gillette Fusion Pro-glide Styler, a 3-in-1 battery operated razor which serves the purpose of both shaving and styling.

It has been observed that brand Gillette has not just been catering to the grooming requirements of men across the globe but also to the requirements of women as the first ever razor for women 'Milady Décolleté' was introduced in 1915 and the first disposable razor for women, 'Gillette Daisy' was introduced in 1975. The 1990s witnessed a period of significant change in female shaving trends as Gillette Company launched Sensor for women in 1992, which was then followed by Sensor Excel for women which the company claimed to be the improved one. In 2000 Gillette Company unveiled Venus - a triple bladed

razor, designed specifically for women. In 2002 Passion Venus was introduced, which many felt broadened the appeal of the product by offering Venus in a vibrant pink colour. Later on Venus Divine was launched in 2004.

Brand Gillette has always been considered by its users as a brand that is constantly working towards making shaving a safe, fun and pleasurable job. Brand Gillette has been promoted globally with the tagline “The Best a Man Can Get” in the context of men’s shaving products. It has been the brand that has been proactive in understanding the upcoming consumer trends and thus has introduced a series of innovative products in the men’s and women’s grooming arena. However the changing fashion trends among men (the predominant customer base of the Gillette brand) and their penchant to keep beards for a variety of reasons have been found to pose a tough challenge for the brand’s sustainability as the brand finds its sales going down.

### **Corresponding Impact of Consumer Fashion Trends on Sale**

Consumer fashion trends regarding male grooming have been observed to undergo significant change since early 2000s. The steady rise of a certain mextrosexual male population across the globe has reportedly brought about this change. The growing acceptance of facial hair in the work place has added to the popularity of the beard. Although a beard is still a strict ‘no’ in the armed forces of many nations across the globe, it has been found that the once integral corporate etiquette of a clean shave has taken a back seat. The young professional today can be seen with various types of beard styling and this reportedly has caused brands like Gillette to loose significant chunk of consumers worldwide. It has been further found that the earlier opinion of professionals with beard being unprofessional and inefficient has changed as the beard has become an accepted entity in the corporate world. In the Indian context, it is widely felt that the flourishing BPO sector has contributed to the popularity of beard in the work place as there are no stringent rules promoting a clean shaven code in the said sector.

It is a well-known fact that when it comes to global fashion trends, fashion houses in London and Paris have been the influencers of generating mass opinion. In the context of the stubble, it has been found that these fashion houses have featured male models wearing a bearded look in recent times. Insiders at these fashion houses have further opined that television programs in the international circuit like *Boardwalk Empire* have further contributed to the acceptance of stubble at the workplace.

Science has also been found to favour bearded men. A study at the University of South Wales has confirmed that men with stubble are more attractive to women and they

are considered to possess superior parenting abilities. One of the researchers at the university declared, “Our findings confirm that beardedness affects judgments of male socio-sexual attributes and suggest that an intermediate level of beardedness is most attractive while full-bearded men may be perceived as better fathers who could protect and invest in offspring.”

Celebrities have been considered as an aspirational group for variety of products across customer segments. They are found to not just influence customer purchase decisions but also influence evolving fashion trends. In the context of the stubble and facial hair styling, the same event has been observed. National as well international celebrities across various domains have been found to sport beards or stylized stubble that has been observed to catch the imaginations of their fans and have contributed to immediate and wide spread acceptance. While international celebrities like Brad Pitt and David Beckham have been found to sport the beard, in the Indian context, celebrities like M S Dhoni (cricketer), Hrithik Roshan and Abhishek Bachchan (movie stars) and Rahul Gandhi (politician) have reportedly influenced myriads of their fans when it comes to sporting the bearded look (**Exhibit-I**).

**Exhibit I: Celebrities Sporting Bearded Looks**







Compiled by the Authors

Exhibit I: Celebrities Sporting Bearded Looks

Internationally, it has been reported that the penchant for sporting the bearded look has been such that man young men have opted to undergo cosmetic surgery and beard transplants to get the desired look. Dr. Bessam Farjo, founder of the Farjo Hair Institute in the UK who performed the world’s first facial hair transplant in 1996 observed that he has witnessed a six-fold increase every year since the year 2008 in the number of men getting surgery to boost their facial follicles. Over 4,500 procedures were reportedly carried out in 2012 which was 13 percent more than in the year 2011.

Many believe that the economic downturn of 2008 that affected a number of economies globally has been another important reason for the downward sales trends of brand Gillette. There are still a number of major economies that are yet to recover from the economic mishap and many in such countries are finding prices of reusable razors and blades too expensive. This has been found to prompt many to keep their beards.

There have been instances where marketers of various products have turned to China to improve their business prospects. However the Gillette brand has found no such solace in the dragon country because of a reason which has to do with the genetic characteristics of the Chinese male population. Companies dealing with shaving products have reportedly faced an insurmountable barrier to entry in China because of the genetic hairlessness of the Chinese men. Gillette has also encountered barriers to entry in the Middle-East because of the cultural and religious beliefs of people over there. Maintaining a beard is considered an integral part of the Islamic customs in such places which has compelled P&G, the company behind the Gillette brand to introduce trimming and styling devices at such places.

According to published reports, the rise of razor subscription sites like the Dollar Shave Club, which send off-brand razor blades to people's homes on a monthly basis, is also a reason for decline in sales. This is an innovative idea wherein the customers subscribe for razors to be delivered at their homes for prices as low as \$1 a month. This has gained popularity as it provides cost benefit as well as convenience even as the prices of personal care products continue to rise.

American culture, lifestyles and trends have often been found to be aped by the people of other countries especially in the eastern part of the globe. The same has been found to be true when it comes to sporting the bearded look and thus this phenomenon has been found to impact the global sales of brand Gillette (**Exhibit-II**).

**Exhibit – II: Negative Impact on Global Sales**

<u>(\$ millions)</u>	2013	Change vs 2012	2012	Change vs 2011
Volume	n/a	-1%	n/a	+1%
Net sales	\$8,038	-4%	\$8,339	+1%

Source:

[http://www.pg.com/en\\_US/downloads/investors/annual\\_reports/2013/2013\\_AnnualReport.pdf](http://www.pg.com/en_US/downloads/investors/annual_reports/2013/2013_AnnualReport.pdf)

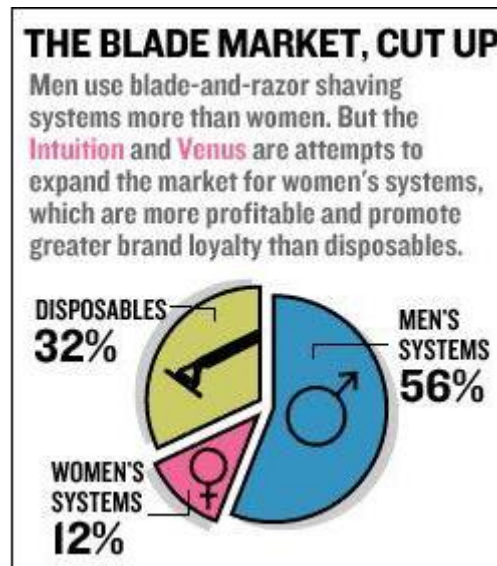
**Exhibit – II: Negative Impact on Global Sales**

However, certain strategic moves of P&G in 2013 suggest that there is a strong possibility of Brand Gillette reversing its declining sales trends both in the developed and developing countries.

## The Way Forward

With a sharp fall in global sales of shaving products, brands like Gillette have been found to look out for ways to arrest the downward sales trend. Majority of men across the globe have been found to keep the stubble but then they have been observed to be interested in styling their beards. This observation has prompted the launch of Pro-Glide Styler in 2013 which is an electric beard trimmer. Jared Regan, product brand manager for Gillette cited in this context, “There is certainly a growing trend towards facial hair styling and it’s becoming increasingly acceptable to sport your style in the workplace too.”

The erosion of the male consumers has reportedly been a key stimulator for brand Gillette to concentrate on its Venus range for women. The range which is promoted with the tagline “Reveal the Goddess in You” offers a number of smooth and easy shaving options to women to get a smooth and radiant skin. Women across the globe have been found to like the overall product range and P&G needs to further keep its focus on the women consumers and consistently introduce innovative options to their target customers. There are reports that suggest that wooing the women through innovative shaving products will be a more sustainable option for the Gillette brand (**Exhibit-III**).



**Source:** [http://money.cnn.com/2003/08/06/pf/investing/razor\\_wars/shaving\\_pie.gif](http://money.cnn.com/2003/08/06/pf/investing/razor_wars/shaving_pie.gif)

### Exhibit – III: The Shaving Pie

To counter the popular perception that brand Gillette is meant for the premium section of consumers only, a cheaper shaving version, Gillette Guard has been introduced. Gillette Guard is a reusable razor with blades priced at Rs.7 only. The TVC for the same features a father son duo and tries to counter the notion that Gillette manufactures only

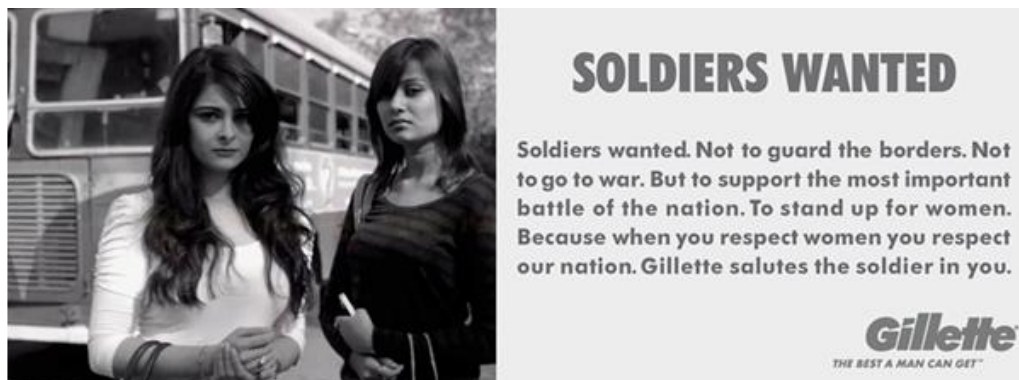
expensive products. The ad shows the father stating that since it is Gillette, it ought to be expensive. However, the son clarifies that it provides a shave for only a rupee (**Exhibit-IV**).



Source: <http://i1.ytimg.com/vi/8PWt-IqUqSk/hqdefault.jpg>

Exhibit – IV: TVC of Gillette Guard

P&G, the company behind brand Gillette has been found to launch the “Salute the Soldier Movement” in 2011 in India with the objective to strengthen the emotional connect between the brand and its target audience. Many marketing experts have opined that it was a well thought strategy since Gillette was losing its grip on its target market by communicating rationally and pitching only for its innovative technology. The campaign personified ‘The Gillette Man’ using the concept of soldier and it was about appealing to the men folk of the country to stand up for the cause of women in the society and protect their dignity (**Exhibit – V**). Millions of Indians reportedly participated in the movement and the company believed that it was due to this campaign that brand Gillette crossed 50% value share.



Source: <http://ultimatemarketer.files.wordpress.com/2013/02/gillette1.jpg>

Exhibit – V: The ‘Soldiers Wanted Campaign

There has been another development concerning brand Gillette which many believe can restrict its downward sales trend. In May 2013, P&G was found to purchase a patent for the “Gillette Body” which was basically a product related to hair styling for body parts below one’s neck. The decision was based on research reports that suggested 29% of American men and 49% of British men already shave some or all of their body hair.

It is widely felt within the personal grooming industry that P&G’s strategic moves for the developed and the developing nations should be countering the declining sales trends but it needs to be seen to what extent the company needs to rework the marketing mix for the market leader in the shaving products category so that the overall consumer acceptability for Gillette shaving razors and blades get enhanced.

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## Case Study on Impact of COVID-19 Pandemic on Retailing in India

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### Abstract

The retail sector always plays supreme role across the world in satisfying various needs of people across various product segments. The COVID-19 pandemic has impacted the field of retailing by bringing lot of changes in the business operations in which the retail segments survive around. These radical changes have seen steep changes in consumer buying behavior. The new normal structure has given a wide range of business options based on people lifestyles, political and economic balances of the society with the support of digital technologies. As nations across the globe struggle with the pandemic, the second COVID wave has left India shocked and devastated with more number of fatalities and loss in businesses. While our nation fights to get back to a sense of normality, entire business sectors have been impacted in incomparable ways. As per the 2020 McKinsey report ~96% of consumers have adopted new shopping behaviors while 60% are expected to shift to online shopping leading up to the festive season and continue doing so beyond the pandemic. The growth of e-commerce platforms and online buying patterns of consumers saw a surge retail segments. At the same time, COVID-19 has dramatically disrupted the retail sector, with the shock differing massively between unorganized retailers versus online shops, essential versus non-essential stores, and small versus large retailers. This case analysis studies the role of organized retail sector, which played a dominant role during the COVID-19 pandemic in our country.

**Key words:** *COVID-19 Pandemic, Indian Retailing, Economy.*

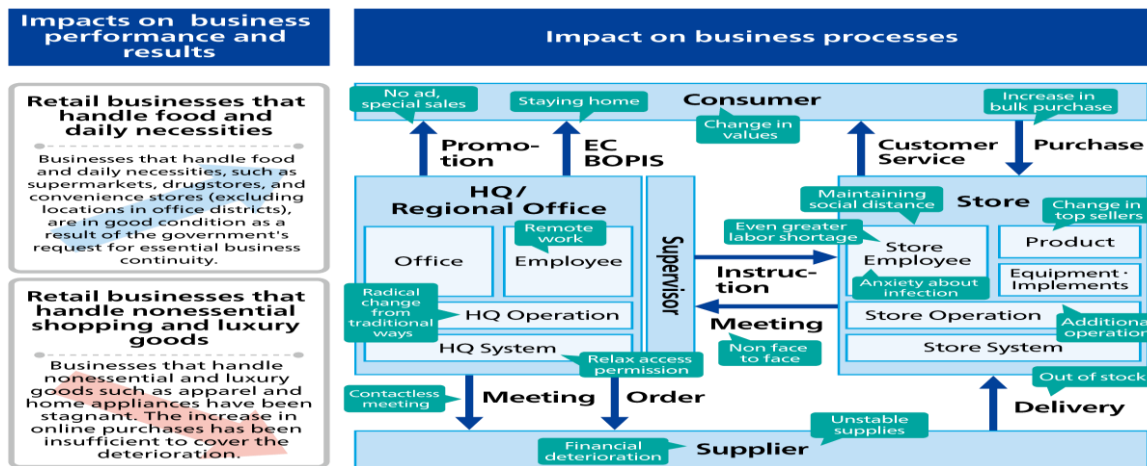
### Introduction

The existence of the pandemic led to a surge in e-commerce and accelerated digital transformation, creating a paradigm shift in consumer behavior towards shopping online for both essential and non-essential categories of retail sector. But this shift in consumer choice left the physical retail segment in most critical position as many stores saw a loss in their business operations. The balance between online and physical purchase done by the consumers saw a sudden variation, which was due to the sudden lockdown and work from

options. This shifting scene made it imperious for businesses across all industries to reimagine, adapt and deliver a seamless customer experience both physically and digitally by introducing new normal norms. These challenges due to the unforeseen scenarios and extended lockdowns made the consumers to buy and store in bulk which saw constraints in finance and stocking of inventories. The increase in online deliveries also grew within short time span as consumers demanded for no contact deliveries and to avoid touching of products and packages to make themselves safe. In fact, the local authorities also allowed deliveries of essentials at door steps based on the availability of resources. This has resulted the consumers to shift to retailers who guarantee availability and timely delivery of products and goods. With physical interactions severely curtailed both at work and socially, and with financial uncertainties impacting a large proportion of the population, categories that are driven by impulse and discretionary spending have been impacted, perhaps to an extent only temporarily.

### **Background Analysis**

The radical changes in the outer environment caused by COVID-19 pandemic have shown various effects on the business of the retail industry. The calamity had created unambiguous gaps in businesses and its operations. The retail sector covers various requirements of people in our economy. In India, this sector is dominated by various small retailers who fulfill the daily needs of consumers. But the lockdown saw great impact on all these retailers who were able to make daily business and kept the economy to move on. The Government of India placed request for uninterrupted supply of daily essentials to people. Retail business as a result of which handled the food and daily needs, supermarkets, medicine and personal care products, convenience stores to serve the people during pandemic. They also ensured good and safe conditions as customers waited in long lines with social distancing to satisfy their needs. But the retailers of fashion goods, apparels, luxury items, home appliances saw a breakdown in the business. Many small and medium size retailers, shopping malls, branded stores saw a stagnated business. This was due to the lack of knowledge or facilities on implementation of health and safety measures appropriately during the initial stages of pandemic. The new normal can only bring in more foot falls in to the stores by ensuring consumer safety. Thus, the retail sector like any other field has taken necessary steps efficiently in order to meet and balance the loss of business which they had faced.



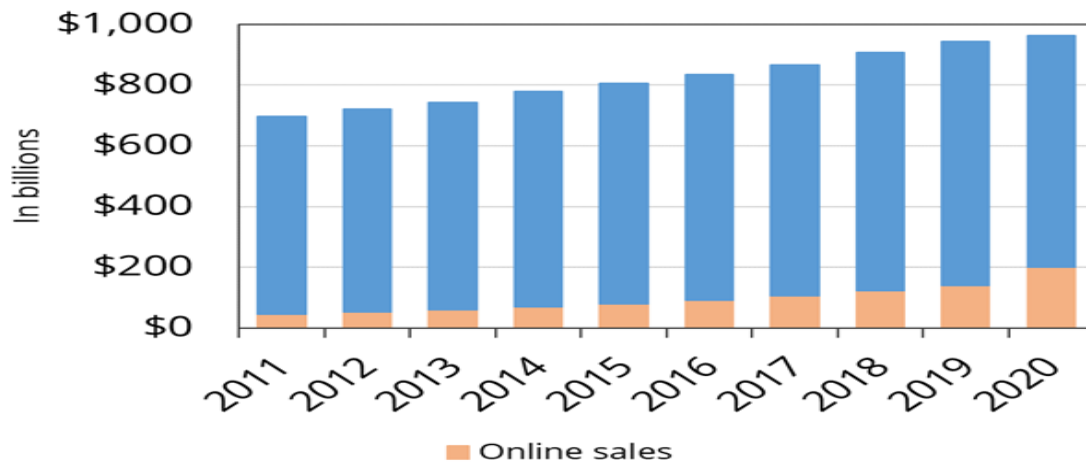
Source: Secondary: Impact of COVID- 19 on retailing Industry.

**Problem Identification**

The Covid-19 pandemic has given the biggest blow to the economy across the globe. Several sectors were affected worldwide. 60% of the world saw lockdown invariably without even having reported a proper solution in the initial stages of the year 2020. The express outburst of the coronavirus presents an shocking health crisis that the world is struggling with. In addition to the human impact, there is also a significant profit-making impact in business being felt globally.

It was also identified by various studies that as viruses have no borders, and as a result of which the impacts will continue to spread in long run. According to various studies globally, 94 percent of the Fortune 1000 are already seeing COVID-19 disruptions. This case will focus on the changes adopted by business models of the retail industry that were particularly affected by the pandemic in supermarkets. The food and grocery segment comes under basic necessity category as a result of which quick actions were taken in major outlets to attract people promising their safety. Social distancing, use of sanitizers, customer waiting lines, check outs lines, billing points with digital cash payment modes were identified and implemented in stores to protect employees as well as customers. Addition to this, disinfection of shopping carts and individual packaging of various products were included to prevent infection in response to customer safety. The aim was to induce in-store customer visits, but the capacity of pre-order systems was too small to achieve the anticipated outcome.





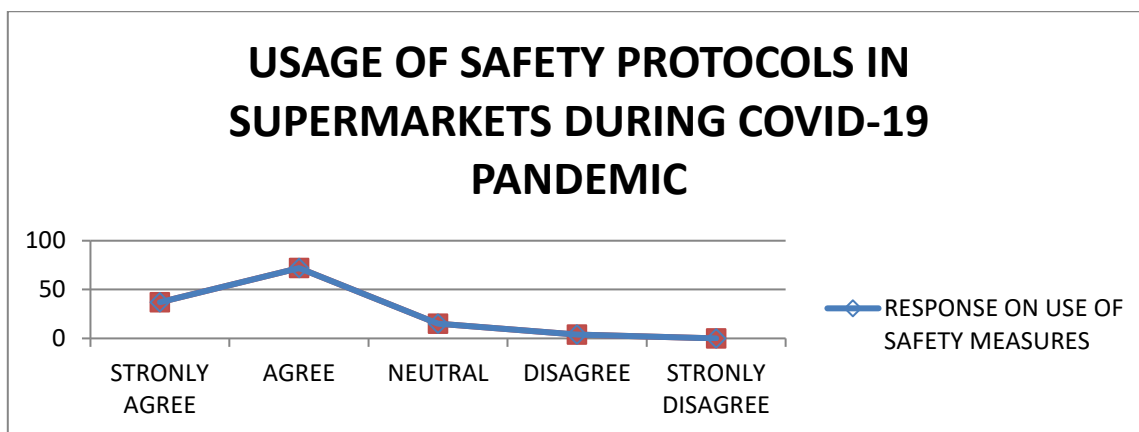
Source: Secondary: *Digital Commerce 360 Analysis, Department of Commerce Data- Global impact on retail sales*

### Impact of COVID-19 in Organized Retailing

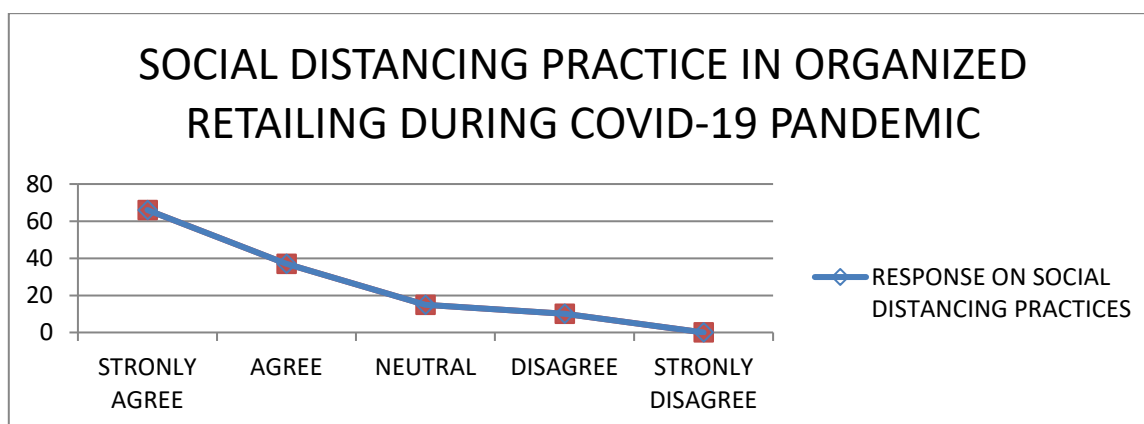
The COVID-19 Pandemic had resulted in workplace shut-downs and self-quarantines in the life of common people. The retail industry faced huge trouble in almost all segments to ensure safety of employees and customers as well as maintenance of business activities. Apart from crisis management plans, retailers also started to work on various boundaries to manage workforce based on the standard SOP. The paradigm shift in consumer behavior had great impact in retailing segments like fashion, fitness and personal care, health and pharmaceuticals, entertainment retailing, shopping malls, supermarkets, food and grocery, consumer electronics as there was a down surge the consumer foot fall in all areas. The major concern of consumers was the health which brought in a drastic behavior change in the way they looked in retailing. Consumers started viewing their favorite brands and products through in a new outlook. The new normal brought in confidence in the mind of consumers in spite of the fear of pandemic. Online purchase also started to accelerate in the minds of consumers for all range of products irrespective to their nature.

The online marketing and e-commerce activities came to boom as the health and safety issues played a predominant role in consumers mind for purchasing various items ranging from grocery to household and electronic goods. The work from home culture and lockdowns had made consumers to rely on e-commerce and retailers' websites to make necessary purchases. After the relaxations announced by the government, the physical stores had their role to ensure good business and consumer safety. This was a great

challenge to the retailers indeed, where the organized retail sector took immediate actions to steer through few exceptional situations which rose out of pandemic. Various strategies which came to reality includes flexible and agile retailing, change in business models to ensure business continuity, change in supply chain models, build ideas and offers to build consumer confidence, change in employees functioning methods to cope with pandemic related issues. In this case analysis, we can find the role played by supermarkets during and post pandemic, which is the major form of organized retailing. Most of the retailers in grocery segment faced the challenges in supply chain as consumers were involved in panic buying which resulted in shortage of stocks. The non-food retailers also felt the impact of pandemic by feeling the drop in demand which was analyzed through long lead times and inventory warehousing issues. Many supermarkets followed the SOP to ensure safety of customers as well as employees. Customers equally welcomed the safety measures taken care by the supermarket segment.



Source: Primary data



Source: Primary data

## **Recommendations**

The Pandemic has changed the way people view their world around. The business sector and the economy of the nation is also hugely affected and the New normal is trying to bounce back the situations to be supportive and progressive. We can thus conclude that retailers are continually updating a new scenario and establish themselves on the market which ensures customers are safe. The authorities of Government in India have also encouraged businesses to efficiently work with safety protocols as it would end up with maintaining the welfare of economy as the whole. It was noticed that the health and safety aspects were predominantly changing the consumer buying behavior as the result of pandemic. As the shift in the consumer behavior was viewed by retailing sectors, immediate necessary actions were implemented by the retailers to ensure continuity in business. We can thus conclude by stating that consumers and retailers around the nation must be ready to face the pandemic based scenarios even in the near future and plan accordingly as the health, social, economic impacts of COVID-19 are still uncertain. For the retailers who were unprepared for shift consumer buying patterns, pandemic has brought devastating changes in business models and approaches.

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## Healthy Heart Oil: The Phygital Consumer Experience

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### Abstract

Healthy Heart Oil is a small and medium enterprise in Southern District of Tamil Nadu. Their Gingelly oil is processed with good quality and can be used in cooking process. Mr. Sivachandran & Mr. Suresh are the protagonist of this case. Despite being the market leader in the Oil segment, their brand saw a sales dip in the retail stores all of a sudden, but on the other hand sales were increasing in the e-tail market and they were quoting their product price low compared to that of the retail store. There has been a shift in buying from retail stores to e-tailers and this is due to the price dispersion effect between retail and e-tail market, leading Loss-Win situation. This case throws a dilemma how brands can retain both retail and e-tail market and efficiently run business process.

### Introduction

Mr. Sivachandran, Managing Director and Mr. Suresh, the General Manager of Modern Trade of Healthy Heart Oil were so much confused, when they received grievance from their distributors from various places. The grievance was that one of the leading E-Commerce sites was selling Healthy Heart Oil product at a price much lesser compared to that is sold by the retailers.

### Background

The company's name Healthy Heart Oil and was a family business for generations and generations. All these years, the brand's name has been changed several times since the family separated their shares from the company. And various brands evolved under the parent company. The Healthy Heart Oil company is based out of Southern district of Tamil Nadu and is located about 60 km from the city of Madurai. With the legacy of about 43 years of the brand in the industry and they are one of the leading oil brands in the market. Healthy Heart Oil company, has penetrated into markets such as Mumbai, Delhi, Bangalore, Andhra Pradesh and have their footprints in the global market

from North West Toronto to South East Sydney and are exporting to nearly 38 countries. The competitors of Healthy Heart Oil are Puvi Cold Pressed Gingelly Oil, Amazon Brand Vedaka Cold Pressed Sesame Oil, Anjali Cold Pressed Gingelly Oil.

### **About the product**

Healthy Heart is a sesame oil produced by Healthy Heart group of companies. It is the most stable edible oils. The aroma of this oil enhances the appeal of food when it is used in the cooking medium. It is also used as a flavor enhancer. It is rich in vitamin E and vitamin K. This oil provides 17% vitamins for our body for every 100ml. It has the power to neutralize the heat in our food so we can use it regularly. It reduces our body heat due to its viscous nature upon rubbing. Healthy Heart oil is highly suitable for deep frying due to its high smoke points. Customers can also use this gingelly oil to our hair which makes our soft due to the presence of antioxidants. It also has the ability to remove toxins from our skin and acts like a cleansing agent. It acts against a shield for our skin from polluted by environment.

### **Consumption Pattern of Edible Oils in India**

India is a large country, and residents of various of its regions have evolved distinct preferences for specific oils, which are mostly determined by the oils accessible in the area. People in the South and West, for example, prefer groundnut oil, whilst those in the East and North prefer mustard. Rapeseed oil is a type of vegetable oil that comes from the rapeseed. Similarly, coconut and sesame oil are popular in some parts of the South. People in the northern plains are primarily fat consumers, therefore they choose Vanaspati, a partially hydrogenated edible oil blend made up of oils such as soyabean, sunflower, rice bran, and cottonseed. In 2019, India imported around 15 million tons of edible oils worthy of about Rs 7,300 crore, which accounted for 40% of the agricultural imports bill and 3% of the overall import bill of the Indian country. India's vegetable oil consumption has been increasing – and it is expected to increase by a 3% CAGR and to exceed 34m tonnes by way of 2030, as a base case from 23m tonnes in 2017 (Refer Exhibit 1). Palm oil (62%) accounted for the majority of total imports, followed by soya oil and sunflower oil (21 per cent and 16 per cent, respectively). According to the Ministry of Agriculture's 3rd Advance Estimates released on 25.05.2021, India is one of the world's largest producers of oilseeds, and this sector plays an important role in the

agricultural economy, accounting for an estimated production of 36.56 million tonnes of nine cultivated oilseeds during the year 2020-21 (November-October). Oils that were previously unknown, such as soyabean oil, cottonseed oil, sunflower oil, rice bran oil, palm oil, and its liquid component, palmolein, have suddenly made their way into the kitchen. Imports account for around 56% of domestic edible oil demand, with palm oil / palmolein

accounting for about 54% . Refined palmolein (RBD palmolein) usage, as well as its mixing with other oils, has skyrocketed in recent years, and it is now widely utilised in hotels, restaurants, and the manufacture of a wide range of culinary products.

Healthy Heart Oil procure groundnuts from the farmers and focus clearly on the cleaning of raw materials before they go into the production process. Dust and other impurities are removed, and half-grown seeds are also filtered and removed and then the finest of the seeds only are allowed further for the crushing process.

### **Marketing Strategies**

Healthy Heart Oil operated in Madurai and Ramnad districts alone earlier. Then they decided slowly to penetrate throughout Tamil Nadu. In one of the staff meeting, one junior staff membersuggested that Tirunelveli had a good potential. He suggested that they shall do door to door sales by explaining the quality. Once quality is established, for repurchases the customers usedto go and enquire in the nearby outlets. Hence they assured they can supply stocks to all the retails outlets nearby sampling region. They covered nearly 25,000 households and they established the quality of their gingelly oil in the Tirunelveli market. The customers who startedusing their brand did not want to shift to other brands. Mostly, the brand reached out to peoplewith free samples. Samples of Healthy Heart Oil were given to doctors, employees of state Bank, employees of LIC of India in Chennai. This was to enhance the cross selling of groundnutoil over gingelly or sesame oil. There is a research which says that consumers who consumer refined oil mostly face knee and joint pains. Today the elderly people who consumed groundnutand Gingelly oil were able to remain strong and the youngsters who are consuming refined oilare facing lot of health issues today.

### **Branding Strategies**

The television was also born when Healthy Heart Oil was born. 1987 January 14<sup>th</sup>

first time television was telecasted in Tamil language. In those days we had a television commercial released on the same day. Hence due to such advertisements Healthy Heart Oil brand's visibility was huge and saw the growth. There was not much of competition too at that point of time, but they made sure the brand reaches large audience through mass media.

Recently, Healthy Heart Oil has done a huge promotion in Chennai for nearly one lakh customers. They have given half a litre oil free. They have run this scheme for the customers who come to retail shops to procure their monthly grocery. If a customer buys product above a certain bill value (Rs.500 and above) from that Kirana store half a litre Mantra was given free. In this promo the retailer and the consumers were very happy. The company's expense was 80lakhs, but it gave them a good edge of building brand awareness for my brand. They did not waste money in advertisement or brochures but gave their product as a sample and the conversions were better. This not only benefits the brand by itself but also the supermarket where the customers are influenced to shop for the amount that is mentioned for by the store for the add-ons given on the shopping bills. Also, nowadays the supermarkets to increase the sales of a particular brand there are asking the brands by themselves to give them a promoter. These promoters play a major role in supermarkets where when a customer comes for shopping to buy oil without mentioning the brand, then the promoter brings the Healthy Heart Oil brand and suggests it to buy. This has seen a good increase in the sales of the brands. Also, recently for Diwali, they supplied Healthy Heart Oil 100 ml packets along with the Deepams and sweets by the Murugan bhavan. Initially when there was a discussion on this, there was a confusion if the company should do this. But then it went for a nod by the MD, since the 10,000 orders would reach 10,000 families. Each family on an average if has 4 people, the awareness of the brand would be 40,000. On this, there would be no need of any spending on extra promotion for the brand.

### **Role of Super Markets**

There are two types of supermarkets - traditional market and hyper market. The hyper markets include E-tailers and Modern Trade. The modern trade are those supermarkets whose floor space is large like Reliance, D-Mart, More etc. And e-tailers includes Amazon, Flipkart, Udaan etc. In recent days there has been found that there is a

40% increase in sales through modern trade modern trade and e-tailers. The E-tailers sales was high only during the pandemic due to the lockdown and fear of the spread of disease. While on the other normal days the modern trade takes an upper hand because during weekends the culture of the Indian family has been that they wanted to go shopping with the family and they wanted to pick up the products with their own touch and this when the modern trade has been a larger space where various products are available then the sales take a pick.

There is a normal perception among distributors that these modern trade supermarkets have a longer credit period, but the reality is different. When there is a personal touch between the marketing manager and the purchase Manager of the store, then the credit period can be adjusted to a maximum of 7 to 10 days, where the distributor is also benefited. In case, if the supermarkets are demanding higher number of credit days, then the distributors can adjust the margin based on that. For instance, Rs.30 margin can be given to a store, who gives seven days credit period, while in the case of another store who extends the credit period to 15 days can be given a margin of Rs.20 to Rs.25, where the margin can be varied by the distributor according to the credit period width days. This margin has a direct impact on the final selling price of the end user. A person whose credit period is less has a greater margin and he might quote selling price is much lesser than a store whose credit period is long, and the margin is comparatively less. Also, the distributors can take an upper hand on deciding the credit period, when they do not receive the pending bill and when it is beyond their respective credit days mentioned by the respective stores, then they can put on hold the upcoming purchase orders until they receive amount for the previous pending bill.

The Supermarkets divide the brands into - commercial heads and non-commercial heads. Commercial heads are those products where once when they are kept in the shelf they get immediately sold on full. For these kinds of products, the credit period is 7 to 14 days, while that of non-commercial heads has the products that stay on for a longer period of time, which may be 4 to 6 months. Hence, the credit periods for these products are two to three months. Since the Healthy Heart Oil focused on branding since the initial days, they are always in the commercial heads. And the movement of their product from shelf is always rapid and hence the distributors receive their credits in 7 days period.



The E-tailer's sales were high only during the pandemic due to the lockdown. While on the other normal days the modern trade takes an upper hand in sales because during weekends the culture of the Indian family has been that they wanted to go shopping with the family and they wanted to pick up the products with their own touch and if it is especially when a super-market with a large space where a variety of products and brands are available, the sales take a pick.

### **Problem**

Like every other industry, the oil industry was also seriously affected amid this pandemic. Especially the retailers and distributors were affected since the retail stores had to close amid the pandemic and lockdown. And this was the opportunity for the e-tailers to acquire more customers. The customer shifted their purchasing pattern from retail stores to e-tailing. Also, the price quoted by them, seemed to be much less than compared to that of the retail stores. With the effect of this even after the relaxation in lockdown and opening of retail stores the customer started to prefer e-tailing to rather than retail stores.

The Healthy Hand Oil planned to have a virtual meet with the distributors and few selected retailers regarding the grievance they received. The price dispersion between retailers and e-tailers were high. The consumers preferred to choose e-tailers over retailers due to low pricing in e-tail sites. This affected the business growth of the retailers even after the lockdown restrictions were removed. Hence, the following questions were raised in the discussion.

1. During the Pre-Covid era, did the penetration of E-tailers affect consumer purchase behavior? Justify.
2. How do you think price dispersion would have an impact on the business growth of Healthy Heart Oil in online and offline channels?
3. Explain the post pandemic phygital experience of the consumers.

### **Proposed Solution**

The average life-time period for oil is 6 months. One particular distributor was not able to sell his stock to the retailers during that particular time between August and December. He had only two months of time left for the expiry of the product he owned. So, he decided to sell the products at a price lesser than that he gives to the retailers. Where

he would forgo only 10% of loss instead of a 100% loss. Thus, the e-tailer was ready to accept it, where-by he would sell the product with 3% margin and hence there was a price dispersion in the market. On hearing this, the distributors found out the strategy behind the low price by the e-tailers and had the following questions in their discussion.

1. During the Pre-Covid era, did the penetration of E-tailers affect consumer purchase behaviour? Justify.

No, During the Pre-Covid era, individuals were not much inclined toward e-tailing due to the prevalence of retail stores. It is always in the human mind that products have to be brought after the physical touch and experience which is known as the tactile touch. The tactile touch is an important factor for choosing a product. The tactile evaluation acts as a peripheral cue in the decision-making process by making them connect to the product both physically and emotionally and reduces the chance of switching to another brand. Hence, individuals always have the feeling of ‘‘Need To Touch’’ the products while they do shopping (Peck & Childers, 2003). Though e-tailers were in the market in Pre-Covid, the selling in e-tailing did not seem to overtake the selling in retail stores because individuals were not under any constraint to choose e-tailing unlike during the pandemic.

According to the Status Quo Bias (SQB) theory, individuals have an intention to continue with the incumbent system. Individuals have the tendency to assume that the losses are high when there is a shift to new system compared to the gains from the new system (Kahneman & Tversky, 1979). The users might perceive that switching their buying behaviour from retail shops to e-tailing might incur them a huge loss, though the loss might be very small in actual, making them to continue to purchase from retail shops. Social norms contribute to this behaviour of choosing the incumbent system (Samuelson & Zeckhauser, 1988) where if their peer group motivates them to use retail shopping, then the customers prefer to continue than to switch to e-tailing. Security risk which includes personal details is a concern for individuals who shop through e-tailing due to the fear of hacking their personal details. Also, the switching cost which refers to the cost that the individuals might bear, when they shift their purchase from the incumbent system to the new system, should be low. If the switching cost is high, the individuals will be reluctant to switch to e-tailing (Refer Figure 1).

Hence, due to the above-mentioned factors, the selling in e-tailing did not seem to overtake the selling in retail stores during the Pre-Covid.

2. How do you think price dispersion would have an impact on the business growth of Healthy Heart Oil in online and offline channels?

Reference pricing is the comparison of prices of different products under same category before they actually buy the product. It is of two types- Internal reference pricing is when the individuals compare the price of the product with that, they bought the previous time and the External reference pricing refers to which the individuals compare the products of various brands under the same category. After this comparison on various products and brands, the customer decides on the purchase of the product. The comparison of price may be difficult in offline than in online, since the information is readily available in the digital space. Hence, price dispersion can be easily calculated in e-tailing.

Price dispersion is the variation in the price of a homogenous product possessing same characteristics across the sellers. The factors affecting price dispersion include seller's integrity, geographical area, service quality etc. Price dispersion is narrower in e-tailing, while broader in retailing. This is because of a wider consumer market in e-commerce and less location facility.

- Seller's integrity, which includes the Goodwill of a brand affects the price of the Oil product when the seller's integrity is high then the brand can price the product at a higher price compared to its competitor. The higher the price it may imply that the quality of the product is also high.
- Location includes where the oil product is being sold, if it is in a Tier 1, Tier 2 or Tier 3 cities. Also, the travelling and other miscellaneous expenses of the retail stores contributes to the selling price of the retailer.
- Service quality extended by the seller contributes to the price dispersion. Higher the service quality, maximum is the price quoted by the seller, since the he would have an upper hand to price the product.

Though price dispersion in e-tailing prevails, according to the Decision theory under uncertainty a buyer will be ready to pay maximum in exchange for the product he receives (Miller, 2011). Hence, in e-tailing not only price plays an important role but also the reviews and descriptions of the product should be available for the user to perceive that the product they buy is worthy of the money they pay. Also, personal experience, which is lost through digital mode, has to be satisfied.

3. Explain the post pandemic phygital experience of the consumers.

The Covid-19 pandemic has switched the customer behaviour from offline purchase to online since the pandemic has led to the closure of retail stores and has led to the scrambling of retail store owners. The customers were compelled to spend a lot of time inside home, leading them to be more focused on electronic devices especially with use of e-shopping.

The Theory of Planned Behaviour (TPB) is derived from the Theory of Reasoned Action in 1980 to predict an individual's intention to engage in a behaviour and states that behavioural achievement is affected by motivation and ability (Refer Figure 2). It distinguishes between three types of beliefs - behavioural, normative, and control and is comprised of six constructs:

1. Attitudes includes favorable or unfavorable interest towards usage of e-tailing. The pandemic has made the individuals to change the unfavourable attitude to favorable due to intensive use of mobile phones.
2. Behavioural intention refers to the underlying factors to use e-retailing, where higher the intention high the behavioural adaption. The factors affecting behavioural intention includes reduced operational expenses, where the individuals can order products from the place where they are in. people have a broad range of buyer options in e-tailing.
3. Subjective norms – It refers to the acceptance or rejection of a certain behaviour from its social group. The adoption of E-tailing seems to be acceptable by a large group of people since everyone has adapted to use mobile devices which influences them to shop in e-commerce.
4. Social norms - This refers to the perceived behavioural expectations which includes peer group expectations. If the peer group perceives that adopting e-tail switch benefits, then there is higher chance of user switch.
5. Perceived power – These are the factors which may motivate or impede the behaviour of customer switching from offline to e-tail markets. Switching cost, cognitive loss of aversion may impede the users from switching from offline buying to online.
6. Perceived behavioural control includes an individual's perception of the ease or difficulty of performing the behaviour of interest. The individual's may perceive the switch their shopping behaviours from retail to e-tail at ease or difficult. It depends

on the individual's expertise in technology.

Thus, it can be inferred that an individual who has a higher motivation and ability, engages in switching of behaviour from retail store purchase to e-tail (Refer Figure 3), under the influence of various factors as mentioned above.

### **Recommendations**

The factors which inhibit the user switch such as switching cost, cognitive loss of misperception, social norms and convenience can be overtaken and make the consumer switch possible helping them move from providing only tactile experience to phygital experience by helping them with Augmented Reality and Virtual Reality experience and make the shopping easier by providing customers with additional services which increases the motivation of the consumers, and makes the consumers buy their product.

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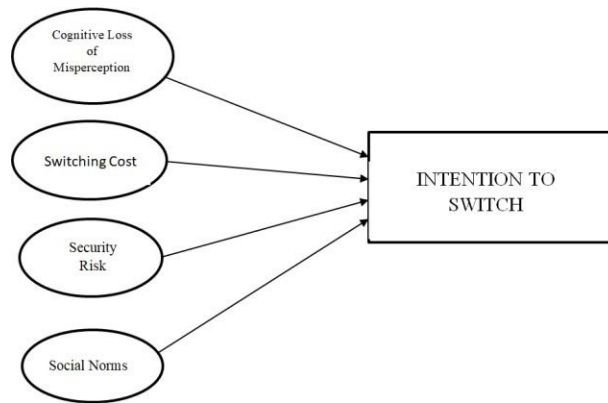
Exhibits:

**Tables***(Quantity in lakh Tons)*

<b>Oil Year (Nov.- Oct.)</b>	<b>Production of Oilseeds*</b>	<b>Net availability of edible oils from all domestic sources</b>	<b>Imports**</b>	<b>Total Availability of Edible Oils</b>
2010-11	324.79	97.82	72.42	170.24
2011-12	297.98	89.57	99.43	189.00
2012-13	309.43	92.19	106.05	198.24
2013-14	328.79	100.80	109.76	210.56
2014-15	266.75	89.78	127.31	217.09
2015-16	252.50	86.30	148.50	234.80
2016-17	312.76	100.99	153.17	254.16
2017-18	314.59	103.80	145.92	249.72
2018-19	315.22	103.52	155.70	259.22
2019-20	332.19	106.55	134.16	240.71
2020-21#	365.65	113.09	74.40 (Nov- May 21)	-

\* Ministry of Agriculture

\*\* Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce)# Based on 3<sup>rd</sup> Advance Estimates (declared by Ministry of Agriculture on 25.05.2021).



**Figure 1: Status Quo Bias** (Proposed model of the study (Source: Adapted from (Samuelson& Zeckhauser, 1988))

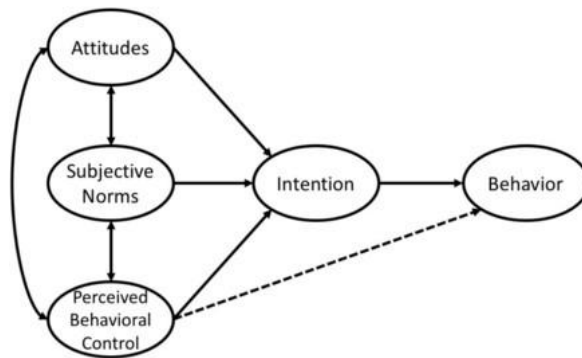
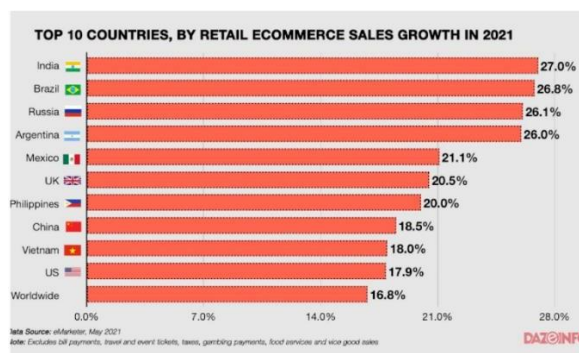


Figure 2: Theory of Planned Behaviour



**Figure 3: Growth of Retail E-Commerce**

## **An Evidence for E- Waste Management is “RIGHT TO REPAIR” Movement: A Multiple Case Study of “R to R” FROM US, UK & EU**

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### **Abstract**

The average consumer ready to upgrades versions of smartphones, laptops and wearable devices which is being released by manufactures every few years. But what happens if the devices slows down to a point or something goes wrong with pricier gadget brought by the consumers with a short period of lifespan. Most of the electronics and electrical manufacturing companies work on the concept of “planned obsolescence”. These manufacturers plan for obsolescence, which makes a product undesirable, useless and unwanted by consumer. This case study is designed to map what if consumer neglect repair and environmental caution. By collecting multiple case study trying to find out the best practices companies implement to support the repair coalition along with the consumes.

**Keywords:** *Right to Repair, E Waste, Product longevity, Environmental issues and Planned obsolescence.*

### **Introduction**

Generally in recent years the life of gadgets or appliances ( electric and electronic) have reduced this is due to fragile and irreparable components, this lead to consumption of product more by consumer. The ultimate result of increased consumption by consumers led to increases in resource consumption and increase in dispose of waste. Callile W Babbit say that over the year 1985–2000, computer working duration(Use to “ dumping”) decreased gradually from a mean of 10.7 years in 1985 to 5.5 years in 2000. The Product longevity of becoming obsolete.

Consumers habitually expend massive sum of money on appliances, gadgets and devices the reality is at times it is found that all those expensive items are becoming obsolescent within a few years after procurement. For instance, a smartphone’s battery is likely to worsen over time and hold back the device’s working condition. Those smartphone battery is not repairable, the consumer is compelled to chuck the device and pay thousands of rupees on a new smartphones.



## **Background**

### **United States**

As of 2021, more than 32 U.S. states have recommended legislations to the right-to-repair act, whereas only the state of Massachusetts has conceded a law. In 2012 The Motor Vehicles Owners' passed a Right to Repair Act which enforces all automobile manufacturers to furnish mandatory papers to permit third-party operators or mechanics to repair their motor vehicles. The aim for this movement originated in the USA where the Motor Vehicle Owners' Right to Repair Act, 2012 required the manufacturers to provide the necessary documents and information to allow anyone to repair their vehicles. This movement has its foundations in the origin of the computer era. This movement discusses that these huge electronic producers and industrialists are uplifting a business culture called as 'Planned obsolescence'. The intention of this planned obsolescence system is to make any gadget, device or product components unavailable or incompatible with the existing one. These producers are making each and every consumer to purchase again and again in short span. This lead to a mindset among consumers that products has to be mandatorily replace at particular period.

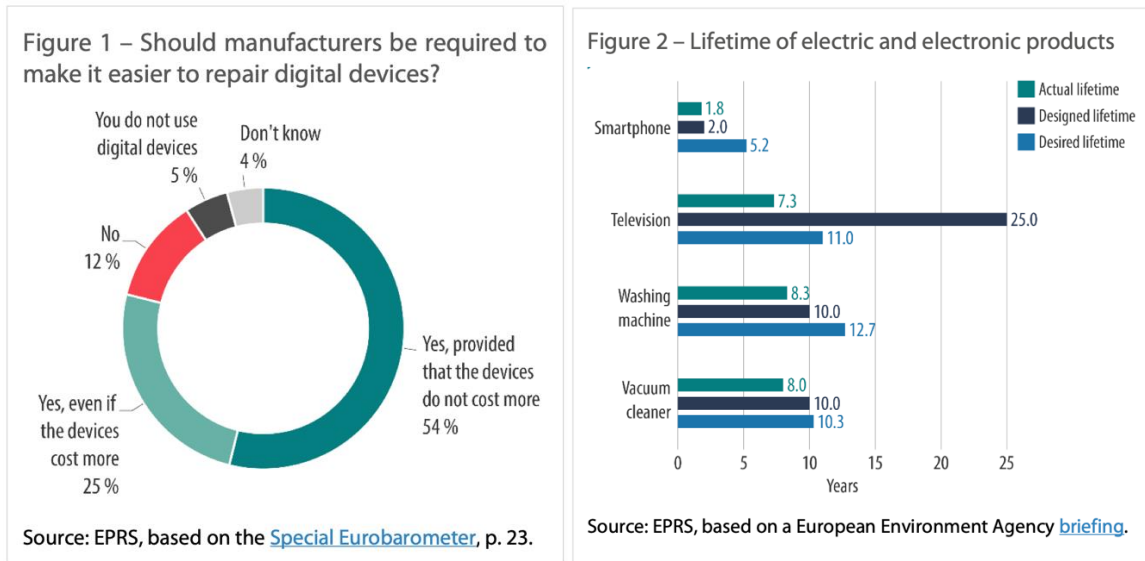
### **United Kingdom**

The Right To Repair law in U.K enforced effect from July 1 2021, and it necessitates electronic producers to offer consumers to get component items and spare part. And also make complex parts accessible in specialized or certified fix-it shops. On the day 12<sup>th</sup> June 2020, Department for Business, Energy and Industrial Strategy (BEIS) announced a call for proof on the UK's eco-design and energy labelling guidelines and rules. Precisely, how these rules could accomplish enormous carbon savings in order to balance out their own carbon footprints and reinforce the UK's conversion to carbon neutral by 2050. A major involvement of the Eco-design for Energy-Related Products Regulations and Information 2021 is to slash the volume of electrical waste the UK generates each year and safeguard the environment. However, the Code of practice also focuses on "right to repair" which states the requirement for certain household goods. Smartphones endure eliminated from this set of laws. Also, manufactures are entailed to make available difficult components to the certified repair shops. This law gives a 2 year to come into fulfilment for manufacture as grace period. The Regulations directs to all products purchased from 1st July 2021, but producers have a downtime of up to 2 years to produce spare parts and make

it available in the market. This is a 2-year space for any producers or industrialist to improve or change whatever is necessary for them to completely accept by these regulations. Their policies and idea is to tighten the standards of products which will guarantee more of their country electrical products can be set or repaired rather than t chuck on the scrap pile, plunking more put money on, in the pockets of consumers. The establishment of right-to-repair law has been done for the prime objective of making the purchase of products which has the prescribed standard and the repairs parts easy enough for the buyer. They aim to extend its lifespan up to 10 years and protecting the environment.

### **European Union**

The right to repair laws in Europe enforces the manufacturers to certify that all electronic goods can be repaired for up to a span period. This was announced by European Commission's strategic document with an idea of saving consumers amount and enabling the progress of economy. This was done by voting in favour of confirming a more in-depth and effectual right to repair . The European Commission aim on cutting electrical waste caused and have been on a rise in the region from the industry. In 2020 the special Eurobarometer conducted a survey among European citizens to find out consumers behaviour and their attitudes to repair in which , it was reported that 31 % of respondent repair a product rather than replacing. In this study five different types of products were taken into account ( Figure 2) .The study focused on why consumers preferred not to repair their product. The primary reason for keeping away repair of the four electronic and electric products was the repair cost. Moreover the opinion of consumers would be choosing a new product, or they felt product being out of fashion, was repeatedly mentioned for products, finally consumer agreed on repair being impossible. Some consumers accepted that they did not know where to find repairable items or how to repair products (Figure 1). The following survey and report form European Environment Agency (EEA) reveals that if precipitate obsolescence is purposeful this is called planned obsolescence.



Everything started in the year 2010, the trend of making repairs to products or devices blowout from the East into Europe. The European Parliament during the month of July 2017 sanctioned proposals regarding the consumers have the right to repair their electric and electronics products. The power to repair devices not only addresses consumer remedies it will also look in as a means to decrease E waste to the environment. The Commission initiated by empowering consumer for green transition which was originally announced in 2021. The right-to-repair pays attention by contenting consumer groups and manufacturers in Europe and advocating easier repair. This should provide consumers with consistent and required information on device or product stability, durability, availability of repair services reparability instructions or manual , spare components ,software updates related to the products. The EU passed Taxonomy Regulation which considers environment sustainable by laying precise rules by the end of 2022. The Commission has been in favour of highlighting and improving consumer Right to Repair, this resolution includes number of distinct plans to make repairs systematic.

**Problem**

Consumers junk a product if their product are broken. They neglect to repair the inoperative parts on their product or they are forced to replace the product. India's electronic and electric waste has increased nearly 43 per cent between 2018 and 2020. Another raisins issue is that all these E waste is building pressure on the environment because of bring thousands of gadgets after every certain period in all products leads to wastage of natural resources. When an electronic or electric product is manufactured it is highly polluting process. Many consumers are not aware of repair information or do not

know how to and where to find repair spare part. A report by global consultancy Deloitte quoted that India is likely to be world's largest consumer market by 2030. These poor consumers are push in the planned obsolescence structured by giant manufactures.

### **Proposed Solution**

Lifespan or longevity of product is a essential variable in knowing the environmental collisions. Right to repair regulation is a movement by advocates against the giant manufactures to provide the necessary information that allows any consumer to repair their own products with hassle free . Companies like Apple, Google, Microsoft for example , keep the minor of the defects part or spare parts to themselves and generate a condition of monopoly in the market. This swamps the business of the small repair shops or workers thereby it is also affecting economies. From consumer point of view these repairs cost is a lot which leads them to ultimately pull out from repairing and forced to choose replace of products. Also, these industrialist produces such products that are short life time and reigns the consumer to change the product very soon which in return leads more of e-waste. Taking this in consideration the moment Right to Repair should be legalized in India for major products which is manufactured and sold in India. This rules and regulations aim to empower the rescue and/or reuse of useful stuff from e-waste, thereby slashing the dangerous wastes predetermine for disposal and to guarantee an environmentally sound management.

### **Recommendations**

The right to repair movement will help boost business for small repair shops, which are an important part of local economies. Help to reduce the vast mountain of electrical waste (e-waste) that piles up each year on the continent, will save consumers' money, will contribute to circular economy objectives by increasing the product life time , maintenance/repair , re-use, , recyclability and waste handling of products. The goal of the movement is to get companies to make spare parts, tools and information on how to repair devices available to customers and repair shops to increase the longevity of products and to keep them from ending up in landfills.

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## **Daddy Annamalai: The Rise and Fall**

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### **Abstract**

The evening of 22nd February 2021 was a gloomy moment for Daddy Annamalai and his son Aadhi, the founders of “Daddy Annamalai Samayal Restaurant”. Aadhi was browsing through the Google reviews for his restaurant and the comment section of his YouTube channel “Annamalai Food Factory” which was developed in the year 2014. Aadhi noticed that their restaurant business was not meeting out the expected results as they intended. He sensed huge challenges way forward in the sustainability of the business. Mr. Aadhi was analyzing the reviews of his restaurant and found that the ratings were biased. At first, the reviews were quite good because of the hype which was created by the fame of his YouTube channel. But later the ratings became poor because of the dissatisfaction created among the customers.

### **Introduction**

Mr. Annamalai was born on October 1954, at Madurai district, Bodinayakanur. He was trained as a cook at the age of 12 by Ms. Subbu for 3 years, a chief cook in the house of S.M. Savde Muthaiyar who was a vice chairman of Bodinayakanur. Then he worked with A. Karunanidhi who was into the film industry and the proprietor of a restaurant called “Hotel Mamiyar” in Mambalam, Pondy bazaar, T. Nagar. He also entered the brass, copper, steel, textile business and travelled to a lot of the Indian states that made him learn 16 languages in total. He did a course exclusively for Broiler Chicken at Madurai Agriculture University, Oththakadai in the year 1979. He got a clear view of poultry farming and he had a farm of 5000 chickens. At the age of 36, he got married and gave birth to 3 children. The first among them was Mr. Aadhi, the Admin of “Annamalai Food Factory” YouTube channel.

## **Background**

### **Daddy Annamalai as YouTuber**

It all started in the year 2014, when they started the YouTube channel “Annamalai Food Factory” and all the basement and foundation work for this channel were done by his son Mr. Aadhi. His son realized and believed that his Daddy’s cooking techniques and mannerisms were a king-sized content. At first, they uploaded 10 - 15 videos in a quick span of time and each video garnered 2000 - 3000 views. Suddenly some videos garnered 2 lakh views in a very short span of time. By the time they realized that this is going to be the turningpoint in their YouTube plunge, all their videos started going so viral that Mr. Annamalai became a human brand as “Daddy Annamalai”.

Seeing this, Top Indian Southern television channels like Sun television, Vijaytelevision and Zee Tamil television channels came forward to broadcast the live cooking of Daddy Annamalai. Out of these channels, Mr. Aadhi agreed to SUN TV and gave them the rights at a minimal cost as he wanted more branding rather than revenue out of this broadcasting tenure. According to his vision and likeliness regarding this broadcasting tenure, broadcaster’s made Daddy Annamalai as a brand and it emerged their YouTube channel to reach new heights that within a short period of time, by the year 2016, their YouTube channel pocketed their first 1 million view video.

### **Venturing into the restaurant industry**

At the time of COVID-19 Pandemic, when many businesses were facing a downfall, Mr. Aadhi was unique enough to start a restaurant business. Also, their YouTube channel was facing a very stiff competition from their counterparts, they wanted a “move on” from the YouTube field. So, they invested their YouTube revenue in building a restaurant to socialize and capitalize on the personal branding which has been already built. Additionally, a push from Mr. Ramanan, a friend of Mr. Aadhi from Malaysia urged him to partner with him as he owns a building in Madurai. Mr. Ramanan had let out this building on lease to a restaurateur. But due to the pandemic, they were unable to run it. He expressed his interest to continue that restaurant business again by joining hands with Mr. Annamalai and Mr. Aadhi. The building was in the heart of the city, and they had a good internal ambience with seating capacity of

30. The fame that was gained from the YouTube channel reinforced the confidence of trio to venture into the restaurant business. So, they started with strong foundation of fame and a basic agenda of never compromising in the quality of food which they offered (refer Exhibit 2 and 3).

As decided, their quality agenda was evident in their decision of procurement. They only bought country chickens and their eggs which was healthier than broiler chicken. The oil which they planned for cooking was groundnut oil, coconut oil and gingelly oil as these three play a crucial role in bringing down the LDL (Low Density Lipoprotein or Bad Cholesterol) content in the food and subsequently making the food healthy. Mr. Aadhi researched these

healthy food techniques and subsequently made these as the USPs (Unique Selling Propositions) of their restaurant.

### **Quality Checking and Supply Chain Management**

For the supply chain management, they kept a quality manager who takes care of the procurement and quality checking process which began with the crucial HALAL process. Secondly, the quality manager checks for the color of the meat too. Only pinkish color meat was approved for cooking. If these expected qualities were not met, then the meat would be returned to the supplier. By this, they succeeded in eliminating 90% of the quality issues that are faced in meat. High level training was needed for such peculiar measurements that they follow in every dish. They used zeera samba rice to cook biryani as this rice variety was easy for digestion and was perfectly suitable for the human body in the existing geographical conditions whereas they perceived basmati rice to be unhealthy. Hence, by adhering to the quality purchase of the raw materials they wanted to meet out the customer expectations (refer exhibit 5). They also planned to have a centralized kitchen which is completely digitalized for measuring ingredients accurately which brings consistency in taste. On the other side, the kitchen would have traditional cooking method, for example, mud utensils etc. They had 2 masters for biryani and 2 masters for side dishes. There were exclusively 2 masters to measure the ingredients accurately who were trained for 5 months before getting into the actual job.

### **The Starting Days of Daddy Annamalai Samayal Restaurant**

Customers heard about “Daddy Annamalai Samayal Restaurant” going viral on the social media and had high brand associations with their YouTube channel. Following the great hype



they walked into the restaurant with high expectations for the taste, quantity, and other attractive attributes. In the initial days, customers felt satisfied with the mirage effect created by their YouTube videos. This made them to give positive reviews for the restaurant (refer exhibit 1). Seeing this, many started visiting the restaurant and their business seemed to be on the right track.

### **Problem**

But soon, they started facing many management issues as they couldn't gauge customer walk-ins per day and as a result, they had to face shortages of food. People waited in long queues for long hours. Obviously, people who came with high expectations and dreams of owning the joyful food experience, found it disappointing when they witnessed such mismanagement from the restaurant.

### **The Beginning of the End: Service Deterioration**

To resolve the crowd management issue, they opened 4 branches in and around Madurai. Once they resolved this issue, customers started showing dissatisfaction in many ways unexpectedly. The major reason for the disappointment was the less quantity of the food in the name of high quality. But the customers neither found the good quality and taste nor the quantity they served was appreciable. One of the major standpoints for this disappointment was the picturesque that was developed in the customer's mind while seeing their YouTube channel videos which depicted high quality, quantity, taste etc. But none of these attributes were on execution when they entered the restaurant. The parking facility was not enough, and customers had to park the vehicle at one place and walk few meters. As mentioned earlier, the mirage effect brought by the hype created by their YouTube channel videos garnered many biased positive ratings. Now, this dissatisfaction led the customers to post negative reviews and ratings (refer exhibit 4). Very soon Mr. Aadhi found that their fame was dwindling down. In social media, negative word of mouth started spreading like fire. Now the question arises regarding how Daddy Annamalai Samayal Restaurant positioned themselves and what went wrong? What could be reasons for the perception gap created in the expected and actual quality? What kind of negative reviews are Daddy Annamalai receiving and how do you think can they handle this on growing negative reviews?

## **Proposed Solution**

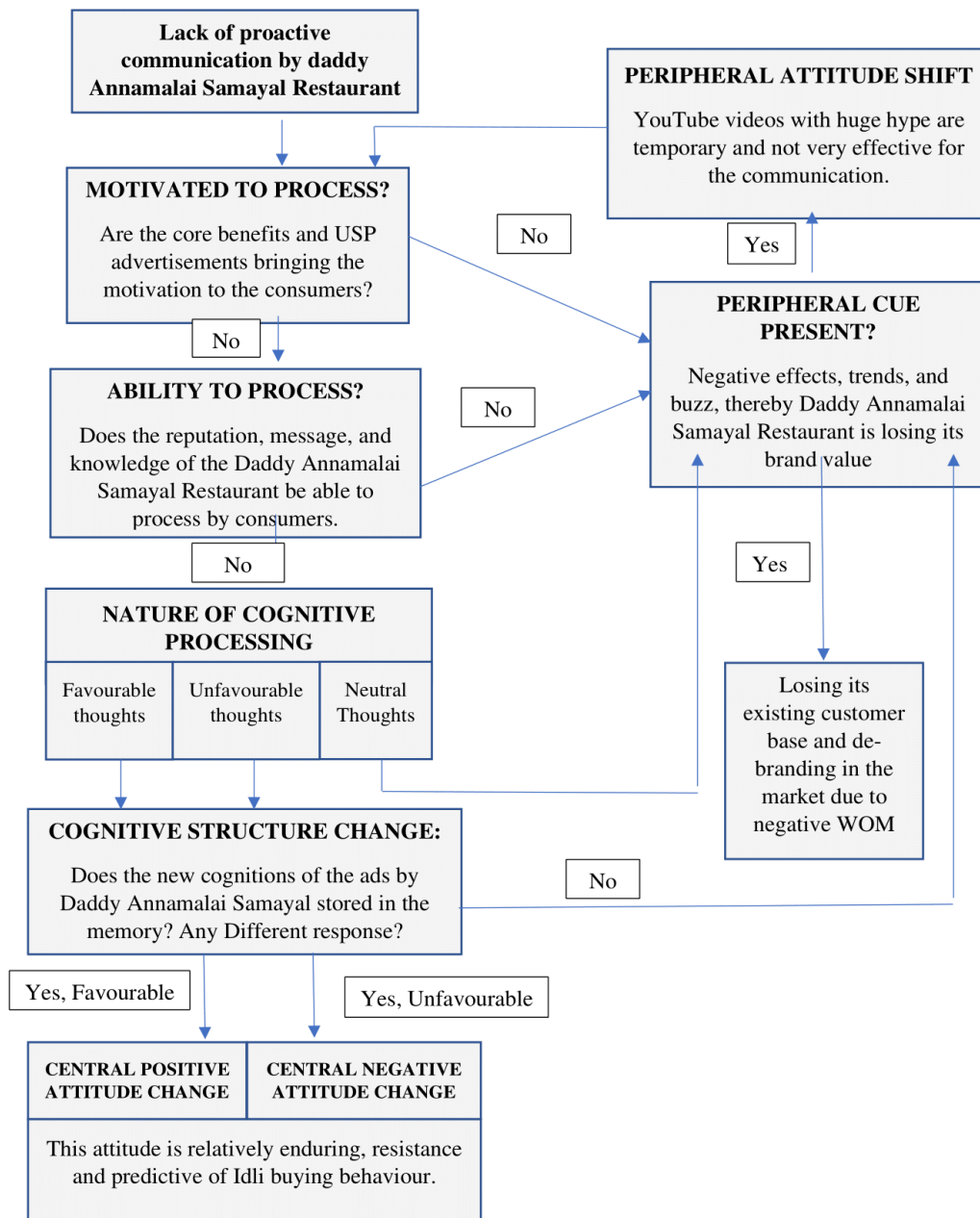
### **1. What went wrong in positioning “The Daddy Annamalai Samayal Restaurant” among the consumers?**

Daddy Annamalai when associated with “Annamalai Food Factory YouTube channel” was positioned around the peripheral cues due to which evolved as a human brand but later when his name was used in the restaurant business the business model demanded a different positioning strategy focusing on the central cues with special reference to the Elaboration Likelihood model (ELM Theory) which is a theory of persuasion that proposes people can be persuaded in one of two ways. ELM theory was developed by Richard E. Petty and John Cacioppo in 1980. Here elaboration refers to how much conscious thought you put into deciding. High elaboration means weighing up information carefully before making your decision. Low elaboration means investing little conscious thinking time into making your decision. The three factors that determine the elaboration to be high is motivation, ability, and opportunity. There are two routes of processing, one is the central route processing which involves careful evaluation of decision from the available information sources. In this case, Annamalai food factory YouTube channel created and telecasted the food cooking videos. Based on the quantity they cook, the way they projected themselves, their aggressive positive communication created a huge expectation among consumer base while they came up with Daddy Annamalai Samayal Restaurant. In contrast to their expectation, the food offered in the restaurant were very less in quantity, high price, and other availing services. As per the central route theory, the evaluation of decision became wrong when the consumers perceived Daddy Annamalai Samayal Restaurant based on the information given in their own YouTube channel called Annamalai food factory

The peripheral route processing is the decision which is made without investing any real thinking time. These are usually the temporary set of information which relates with the recent buzz and trends. In this case, Daddy Annamalai’s aggressive communication process created a false hope among the consumers when the expectations were not met, and this kind of strategy will be only a short-term memory for the consumers. Hence there is no proper alignment between the central and peripheral route. Thus, to conclude, the central route and peripheral route of processing should go hand in hand, so both should be done and handled in a balanced way by daddy Annamalai restaurant to have a strong communication

strategy in place for their target customers.

**Central and Peripheral Framework for daddy Annamalai Samayal Restaurant**



**2. What could be reasons for the perception gap created in the expected and actual quality?**

The quality of the restaurant always has a huge impact on the satisfaction of their customers. The Restaurant Quality of a Restaurant comprises of 11 Dimensions which a customer will evaluate from his side. They are as follows.

**Assurance:** The assurance of the service provided by the restaurant is measured with

the attributes like the Courtesy, Credibility and Security towards the customers.

**Menu:** The presentation of the menu card plays an important role in showing the transparency of the restaurant. This can be measured with the attributes like the Presentation of the Menu, Variety of the Items, and the Knowledge of the Menu items.

**External Environment:** The Location of the Restaurant, Accessibility for the People, Opening Hours, Parking Lots are the attributes used to measure the External Environment of the Restaurant.

**Accuracy:** The accuracy of the service is measured with the serving of the same quality of food as promised, enough quantity of food and the same food as ordered.

**Food quality:** The quality of the food is measured with the following attributes like Taste, Quality and Freshness of the food.

**Responsiveness:** The responsiveness can be measured with the help and quick service from the servers and the employees.

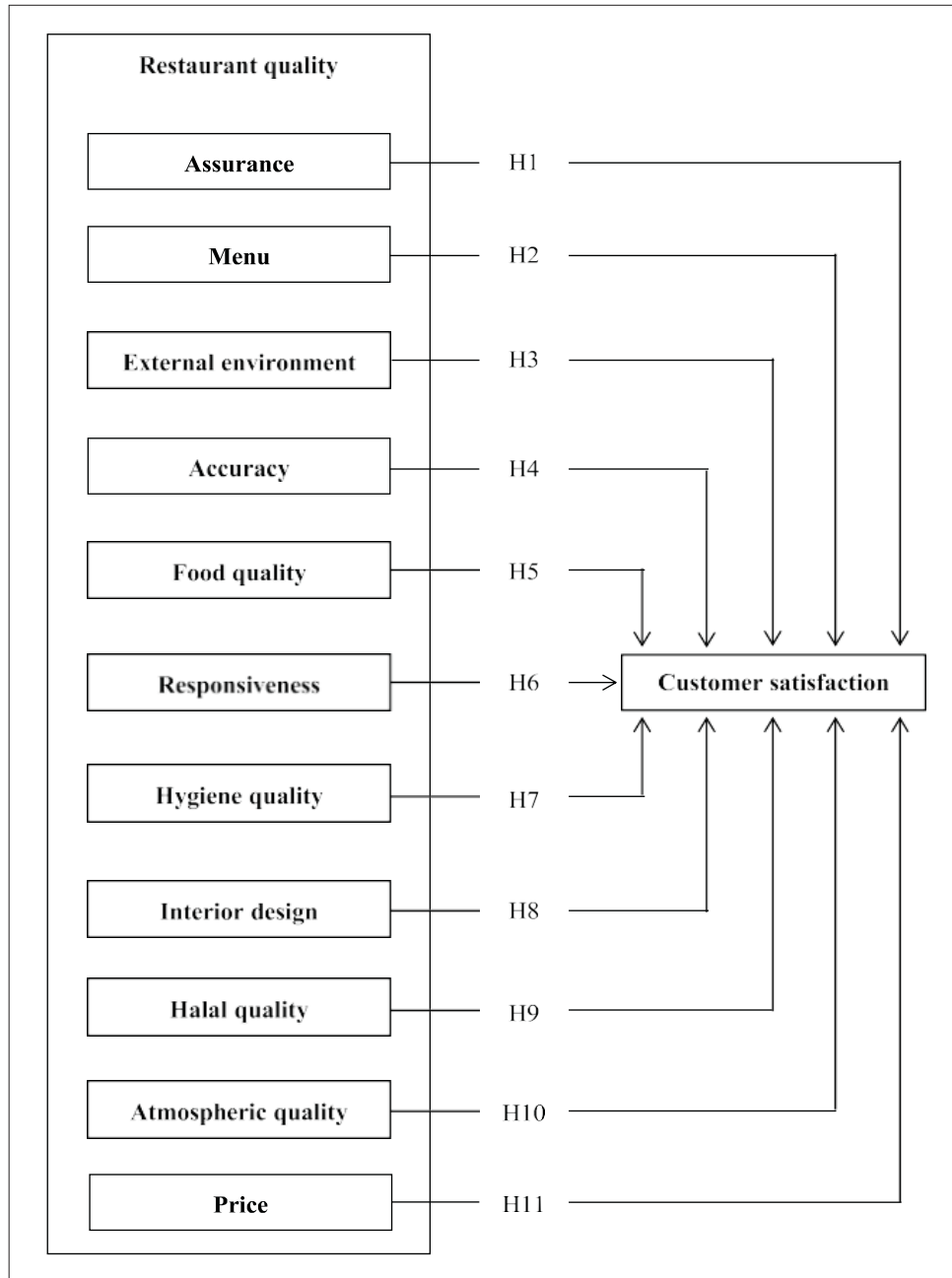
**Hygiene Quality:** The Hygiene of the restaurant can be measured from the Clean Dining Area and Cleanliness of the staffs.

**Interior Design:** The Interior Design comprises of several attributes to measure like the Size and Ventilation of the Restaurant, Table Layout, Furniture Design, Comfort of the Furniture.

**Halal Quality:** The Halal Quality has predominantly emerged as a demand for all customers because of its scientific process beyond the belief in certain religious culture. So, the Halal Status is also considered as a measuring attribute for the Restaurant Quality.

**Atmospheric Quality:** The Ambience of the Restaurant is added to the attributes for measuring the Restaurant Quality.

**Price:** The Pricing methods are measured with the attributes like Emotional Price, Monetary Price and Behavioural Price for the Restaurant Quality.

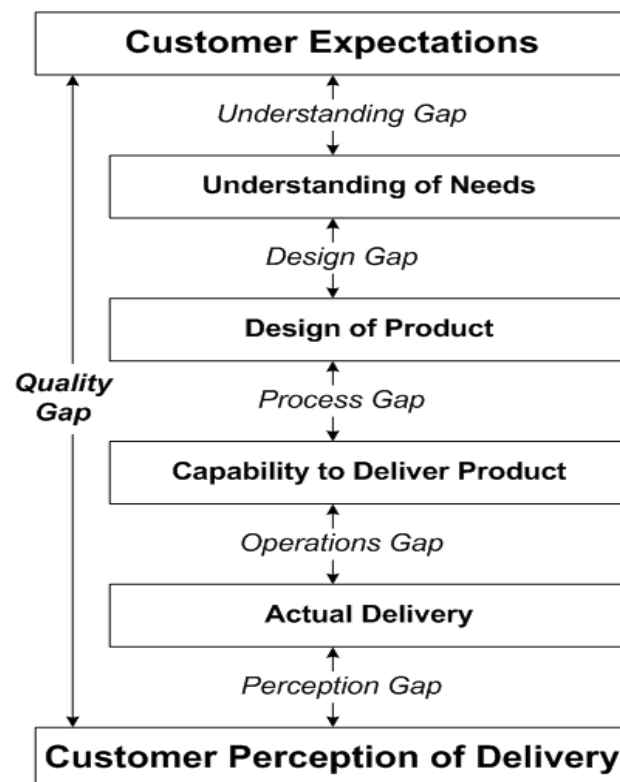


On analysing the performance of Daddy Annamalai Samayal, the service almost covers most of the attributes in satisfying the customers.

The Food Quality has the strongest effect on the customer satisfaction with respect to the service offered by Daddy Annamalai Samayal Restaurant. Followed by the Food Quality, Hygiene Quality, Halal Quality, Interior Design, Atmospheric Quality, External Environment and Assurance boosts the satisfaction level of the customers.

On the other hand, Daddy Annamalai has some gaps on few attributes. The Price and the Accuracy of the food has a strong negative effect on the satisfactory level of the customer. Imposing high prices over the foods and lesser quantity of food served for the price when compared to their rivalries creates a sense of paying more than they planned and it continuously defames the popularity of the restaurant through Word of Mouth and Reviews. Followed by these attributes, the unavailability of Menu card makes the customers to feel like losing the decision-making power on their preference of food and it highly dissatisfies the customers. Along with the menu card, the Poor Responsiveness and the Careless Attitude of the employees seems to be an additional attribute for dissatisfying the customers.

In connection to this, A Service Quality Gap Model can be used as a tool for locating the exact gap in the process of Daddy Annamalai Samayal.



Based on the Service Quality Gap Model, Daddy Annamalai Samayal fails to fulfil the Understanding Gap and Perception Gap which in turn creates a dissatisfaction level among the customers. In case of a restaurant, Pricing methods have to be framed by understanding the socio-economic culture of the population in the city. Fixing high price and providing minimal quantity of food will not be enjoyed by the customers. In a Tier III city like

Madurai, fixing elite price for all group of customers is not a good decision. At the same time, a restaurant without Menu Card creates a sense of domination in the perception of customer towards the waiter. In such scenarios, Daddy Annamalai Samayal Restaurant fails to understand the pulse of the customers which results a huge gap between the perceived quality and the actual quality.

**3. What kind of negative reviews are Daddy Annamalai receiving and how do you think can they handle this on growing negative reviews?**

The list of negative reviews on Daddy Annamalai restaurant,

- Lack of responsiveness with customers
- Lack of affordability in terms of price
- Lack of quantity even it is high priced
- Lack of transparency

Customer experience management is the collection of process in which a company use to track and organize every interaction between and within a customer in the organization throughout the customer lifecycle. The Millennials expect their brands to know completely about them and use the information to make the entire experience quick, fast, convenient, customized, and personalised. They look for a superior customer experience for every product and service they use. The millennials go for several touchpoints before getting satisfied in on that one perfect product. The good part is that millennials do not discriminate between online and offline (physical) shopping. For them, the experience holds precedence over the mode. This customer experience has a significant impact on the word of mouth, and it should be given high priority. The companies should focus on each stage of customer experience to add values which will have a direct effect on the word of mouth. In today's competitive market, business is not a onetime interaction or transaction, but it is a continuous flow of engagement with customers where we should be able to provide a rich experience in every part of customer experience

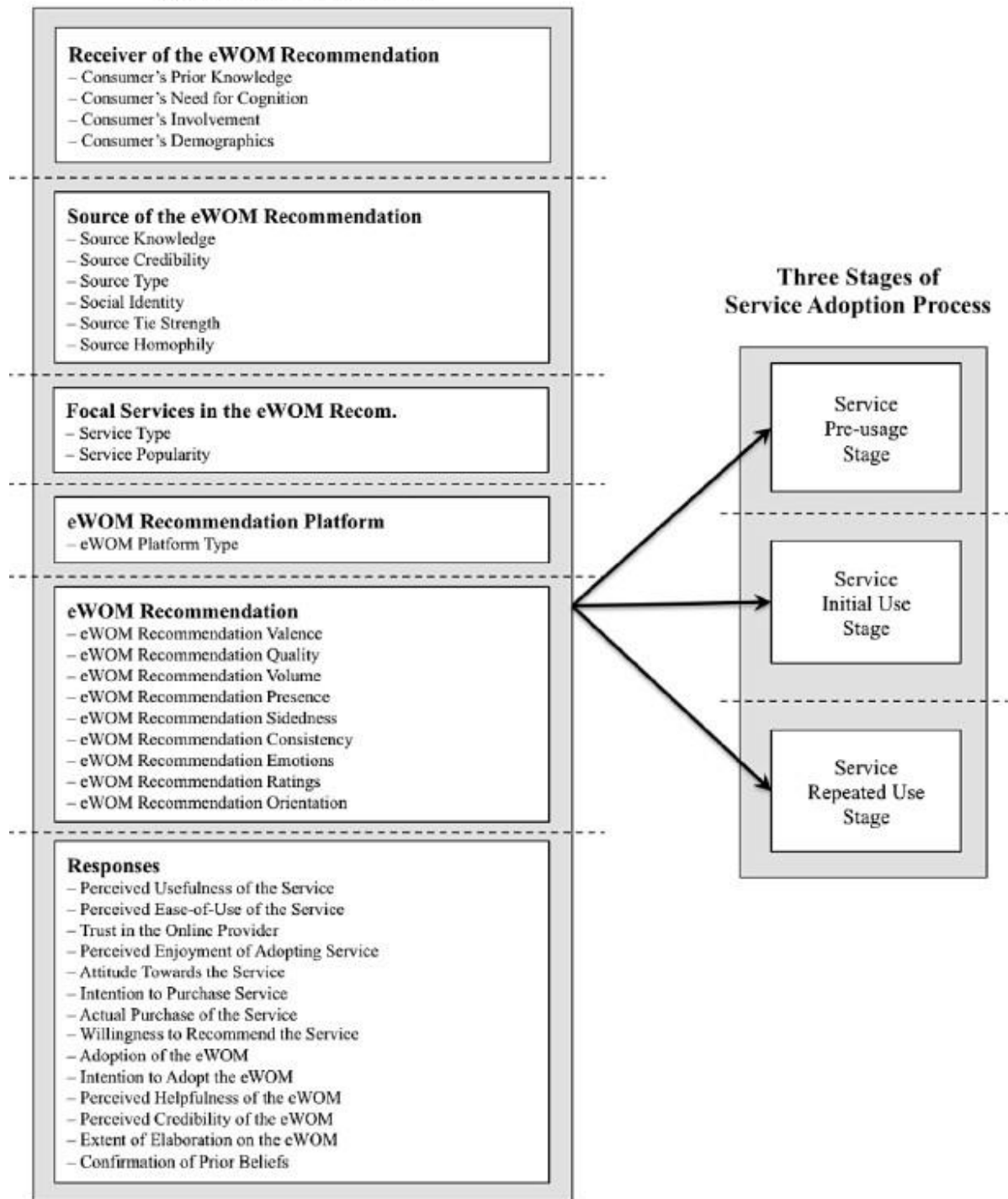
The word of mouth plays an extensive role in purchase decisions. The penetration of internet brings a new platform called “electronic word of mouth”, where anyone can share their opinion and views about a products or services. The impact of negative reviews

(negative word of mouth) for Daddy Annamalai Samayal Restaurant in internet space will be more, where they entered the restaurant industry as a YouTube sensation with the help of positive reviews, but the changing consumer's perception in terms of negative reviews will have a huge impact in their long-term growth. Here in our case, the Daddy Annamalai should focus on the providing changes in quantity and price of the foods which has the most significant aspect of dining experience. According to a study, service quality is also more important than food, considering this they should start providing the basic requirement of "food listings with price", so that customers will have a wide choice and they can feel the transparency of the restaurants in terms of price. The customers not only expect the high-quality foods and service quality but also look for the "value for money" which is price. The price listed in menu will greatly influence the customers. Apart from that they should give proper training for the frontline employees regarding the "responsiveness with customers". Usually, customers take the criticism seriously as a negative bias, so they should make the customers believe that they are giving importance to the negative reviews and working to rectify it. If not, they will be supposed to lose the potential customers too with the direct effect of negative word of mouth.

The Daddy Annamalai can also use "response strategies" to overcome the on growing electronic negative reviews, firstly the company should make believe the customers that they are responsible for negative experience. The responding factor for the negative reviews will increase the impression of the company's products and services. It shows the responsibility level of the company which they care for customers. The restaurant can make responses in several ways such as apologizing for the bad experience faced by the customers, giving the explanation, or substantiating for what and why happened initially. But they should never ask for an excuse for the bad experience because it seen as that the restaurant is giving explanation without taking responsibility. And they can give "service recovery response" where the image of the restaurant will increase. According to research, the response give after the 30 days of the review in online is less reliability when compared with the quick response, so the restaurant should have a close eye on the negative review and its response.



**Factors representing  
Six Dimensions of eWOM**



## Recommendation

- ✓ We recommend Daddy Annamalai to concentrate on both central route and peripheral route of processing as they go hand in hand in a balanced way and have a strong communication strategy in place for their target customers.
- ✓ On the other hand, there are some gaps on certain quality attributes and fails to fulfil the Understanding Gap and Perception Gap. The Price and the consistency of the food quality, the unavailability of Menu card, the Poor Responsiveness and the Careless Attitude of the employees has a strong negative effect on the satisfactory level of the customer. This continuously defames the popularity of the restaurant through Word of Mouth and Reviews.
- ✓ To nullify the negative reviews, Daddy Annamalai can use “response strategies”, and the company should make believe the customers that they are responsible for negative experience. It shows the responsibility level of the company which they care for customers. They should never ask for an excuse for the bad experience because it seen as that the restaurant is giving explanation without taking responsibility

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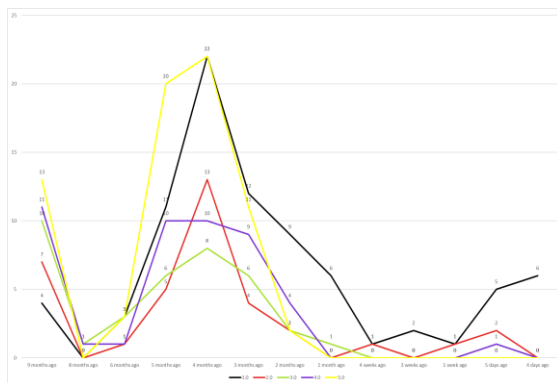
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**Exhibit 1:** Google Ratings for Daddy Annamalai Samayal Restaurant across periods

TIME PERIOD	RATING				
	1.0	2.0	3.0	4.0	5.0
9 months ago	4	7	10	11	13
8 months ago	0	0	1	1	0
6 months ago	3	1	3	1	3
5 months ago	11	5	6	10	20
4 months ago	22	13	8	10	22
3 months ago	12	4	6	9	11
2 months ago	9	2	2	4	2
1 month ago	6	0	1	0	0
4 weeks ago	1	1	0	0	0
3 weeks ago	2	0	0	0	0
1 week ago	1	1	0	0	0
5 days ago	5	2	0	1	0
4 days ago	6	0	0	0	0

**Figure 1:** Google Rating



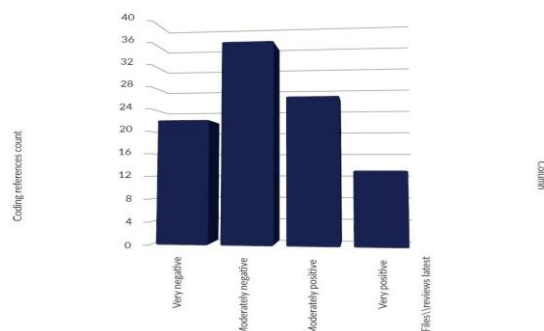
**Exhibit 2:** Restaurant ambience



**Exhibit 3: Food Varieties**



**Figure 2: Entire Google reviews**



**Exhibit 4: Monthly Procurement of Daddy Annamalai Samayal Restaurant**

<b>Things</b>	<b>Price (Might Vary)</b>	<b>Quantity (1 month)</b>	<b>Total Cost</b>
<b>Zeera Samba Rice</b>	95	3000 Kgs	285000
<b>Mutton</b>	700	1500 Kgs	1050000
<b>Chicken</b>	200	3600 Kgs	720000
<b>King Mackerel (Vanjaram)</b>	700	900 Kgs	630000
<b>Red Snapper (Sankara)</b>	175	900 Kgs	157500
<b>Prawn Fish</b>	300	900 Kgs	270000
<b>Egg</b>	156	300 Trays	46800
<b>Groundnut Oil</b>	270	1800 Liters	486000
<b>Gingelly Oil</b>	380	1800 Liters	684000
<b>Coconut Oil</b>	175	1800 Liters	315000
<b>Other Ingredients</b>	500	30 Kgs	15000
<b>Total Expenditure for One Month</b>			<b>4659300</b>

## Bigg Boss: Fusing advertising in entertainment - Advertainment

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### Abstract

Brand Placement is the prominent advertising strategy that can help advertisers reach a large number of consumers through entertainment media. Brand placement in reality shows is a less analysed field of advertising where the reviews and marketers have gained more success in increasing their consumers. So, this case study analyses and evaluates various types of brand placement in reality shows and proposes different factors that help determine the most effective brand placement type. The article also recommends the brand placements in reality shows for the advertisers who are in a dilemma to achieve their product's success.

### Introduction

Mr. Ram, managing director of a successful firm in India, has launched a new e-bike in India. He believes in traditional advertising methods and promotes his new product through event marketing, classified advertisements, handouts and broadcasting. He conducted a review meeting after three months of the new product launch. He faced a shocking discovery that his new product had not reached the expected sales in this meeting. The rise in the petrol price has shifted the buyers' interest in e-bikes. It has given faith in Mr. Ram's product during the product launch. But the product sales are not up to his calculated estimates. Moreover, a survey conducted by his team has identified that most of the people are not aware of the product name. As a new product in the market, Mr. Ram has to learn more about his advertising methods to reach the maximum number of people. His advertising methods do not provide the required response in a big economic market like India. He realised that his product needed to be promoted on better platforms and traditional advertising methods.

Besides, as a part of the globalised work environment, consumers of the 21<sup>st</sup> Century has been widely exposed to advertising culture to evaluate the products in the market. Advertising has become both boon and bane for all the products in the market. To gain the consumer's attention and be successful, the producers must rely on different

advertising platforms. Consequently, Mr. Ram realised that his advertising strategies are not yielding much effect on sales. On this occasion, brand placement in a TV reality show, Bigg Boss Season 4 Tamil on the Yamaha Motor Bike Task of Day 46, has gained the attention of Mr Ram. The brand's reach to the audience inspired Mr. Ram to promote his product on a similar platform. So, he started looking for the brand placement effectiveness and the plausibility of his product promotion in TV reality shows.

## **Background**

Brand placement can alternatively be called as product placement. It refers to the brand included as a part of entertainment programs like movies, reality shows, video games, music albums, etc. Brand placement can be traced back to 1927 in the Hollywood movie "Wings" by Lucien Hubbard, where Hershey's chocolate was displayed. It can be called the first brand placement in movies. Since then, brand placement has become a powerful advertising platform that has helped film producers reduce film production costs. In most cases, brand placements create a bond between the product and the lead actor/actress in the movies. Further, the product will be integrated into the storyline, which will significantly impact the audience. Brand placement succours marketers like Mr. Ram, who struggles to reach a large number of consumers through their traditional advertising strategies. In addition, growing customer resistance towards traditional advertisement is an opportunity to reach the target audience for companies struggling to expose their products through brand placements. Therefore, Mr. Ram has decided to integrate the advertisement of his new e-bike into the entertainment programme. But he was confused about the decision to go with movies or TV shows.

Marketers have chosen Indian movies for brand placement due to the product's success in films from similar countries of developing economies. For instance, the first brand placement in Indian movies appeared in the Hindi movie 'Chaltika Naam Gaddi', released in 1958, where the 'Coca-Cola' brand was displayed. Not only in Hindi movies but the prevalence of brand placement in Tamil movies can also be identified from the early 70s to till date. For example, Royal Enfield has been given a major role throughout the first part of the Tamil movie "Accham Enbadhu Madamaiada", a 2016 film. It created a massive impact on the youngsters in Tamil Nadu. According to the studies on brand placement in movies, the brand display occupies an average of 2.4% of the total movie time.

Consequently, the most challenging role of advertisers in the brand placement of the movies is to connect the brand with the plot and create an indirect connection with the audience. In addition, brand placement has a lesser lifespan in movies as the effect of the brand will start to disseminate after a period based on the movie's success in theatres. Conversely, Mr Ram, as a new product launcher, desires to have a more prolonged impact on his brand on people. So, he decided to implement brand placement in TV shows. He also identified that brand placement in TV shows has a more significant advantage as the show's longevity will frequently remind the brand to the audience.

According to PQMedia (2018), revenue generated from brand placement has been increased to 14% with TV as the primary source, and it will continue to increase over 2018- 2022. Pitch Madison Media Outlook Report 2020 has stated that India is the second-largest advertisement market with a 14% growth estimate in “advertising expenditure, of which 70% is spent on TV inclusive of commercials and brand placements”. In comparison between TV shows, reality shows have been gaining more advantage for the brand placement as the characters in the show are from both movies and soap operas. TV penetration in India increased to 66% in 2018 from 64% in 2016 (BARC, 2018), TV channels have tripled over the last ten years (Madison, 2019), of which 77% of time spent on TV was on General Entertainment channels (GEC) (FICCI, 2018). Whereas, in GEC, Reality shows are at the top of the shows for urban and rural India (BARC, 2018).

Reality shows are comprised of information with fun elements. Also, program plots are more enjoyable, with twists and fun features to engage the audience. Though there is no explicit evidence on the advantages of brand placement in reality shows, it is more prominent in western countries and India. In addition, technological advancement has taken the entertainment industry to the “Over the Top” (OTT) platform. The OTT platforms help the audience watch TV shows and movies at their convenient timings, and the advertisement timing has also been reduced. Therefore, integrating the brand in the reality shows displayed on the OTT will benefit the marketers like Mr. Ram to reach significant customers. The OTT platforms also help the viewers to re-watch the episodes, which in turn help in maximising brand placement effectiveness.

Considering the above advantages of the brand placement in reality shows, Mr. Ram has to analyse the famous reality shows in the Indian market to reach the maximum number of audiences. On examining the reality shows, Mr. Ram has viewed the long with-

standing BiggBoss show in the Star network for more than a decade. Bigg Boss is the top reality show in the Indian entertainment media which has been telecasted in seven Indian languages, namely, Hindi, Kannada, Bengali, Tamil, Telugu, Marathi, and Malayalam. It is an Indian franchise of a Dutch show named Big Brother. The Bigg Boss show in India was first launched in 2006 in Hindi, and it is still occupying the top place in the successful reality shows of India. In the BiggBoss show, selected contestants will be isolated inside a house for 100 days and monitored through different cameras 24/7. The contestants will be given entertaining tasks along with their daily chores. The nature of the show paves the way for advertisers to promote their brands. Since the show's commencement in 2006, Bigg Boss has been proven an unwavering profit for the advertisers. Therefore, it can render profits for Mr Ram's new e-bike, which is launched newly to the market. Concordantly, Mr Ram has decided to promote his brand on the Bigg Boss reality show with the consideration of the high Television Rating Point rate, cost-effectiveness and high impact of the brand on the audience. But the type of brand placement is essential for a brand to be integrated into the entertainment media.

### **Problem – Ram's Dilemma**

Mr Ram's product is new to the market, and his brand is not well-known to the audience. The product is an e-bike priced at Rs 91,499, and you can currently reserve it for Rs999, with deliveries starting after three months. It comes with a 139 km range and a top speed of 70 kmph. It takes just under six hours to fully charge with a fast-charging speed of 25 minutes for 70 km of range. There is also a Pro model, priced at Rs 1,39,499 and comes with a higher capacity, faster speed and more. Subsequently, Ram has a problem in selecting the type of brand placement that will have an easy and immediate impact on the audience. He has three options, merits, and demerits for each type of brand placement.

For instance, the appearance of the brand can be classified into passive placement, active placement and hyperactive placement.

**Passive placement** is also called as Co-present mode. In passive placement, the product will be visually placed in the background or foreground of the program or movie. The cast on the screen will not address the product directly or indirectly. To enhance the scene, the casting crew may place the product within the frame for the audience. It is widespread in many movies, soap operas and reality shows. For example, in Bigg Boss



Season 5 Tamil, behind the settings of the underground prison, Nippon paints' brand has been placed. A sofa set has also been arranged near the underground prison so that contestants can spend more time near the area. Hence, the Nippon paint advertisement in the background will subconsciously register in the audience's mind. The cost for passive placements is also lower when compared to the other two types. But the studies have proved that viewers find passive placements less effective in recalling the brand.

**Active placement** is also named as Implicit mode. The brand will be added to the entertainment program's plot or storyline in this mode. In brief, the actor or actress in the storyline will be using the product as a part of the story. In this way, the product will receive consumers attention. For example, in Bigg Boss season 4 Tamil, Prisma Fashion Task on Day 26, the contestants have dressed up with outfits sponsored by Prisma and have ramp walked to promote

the product. The best couple has been chosen for the task and prizes have been distributed. The audience will recall the active placement of this product, and the product will directly impact the audience through character interaction. On the contrary, markets have to be prudent in integrating the brand with the storyline, which should not make the audience feel that it is too advertising-like. Otherwise, the brand will not create a positive impact on the audience.

**Hyperactive placements** are called Imperative mode as it consists of a surprise element. The involvement of humour can be identified in this mode, and the benefits of the product/brand will be briefed by the actor/actress of the plot. It will also be embedded within the storyline. In other words, the actor/actress will recommend the product to his/her fellow co-actor or the viewers to use the product. For example, in Bigg Boss Season 4 Tamil on Day 32, the contestants have been divided into two teams, and the RKG cooking task has been given to them. The contestants have cooked the food with RKG products and also talked about the benefits of the products. Besides, hyperactive placement is more expensive than passive placement as the product has to be used by the character. The character has to define the usage of the product by adding more exciting elements. In addition, hyperactive placement favoured the well-known brands and failed to attract consumers for less-known products.

At this moment, Mr. Ram is in a dilemma in determining the best type of brand placement to promote his new product. He has to analyse the best option and implement

the same for the growth of product's sales.

### **Proposed Solution:**

Mr. Ram can analyse the above indicators and decide which is more appropriate for his brand. Earlier studies have stated few crucial factors are to be considered before integrating brands in the entertainment media. The list of factors is discussed below.

### **Character Interaction**

Brand placement in reality shows has given less importance to character interaction with a higher number of passive placements. Brand placement with character interaction can recall more information in a positive context (Natarajan, Jayapal, & Gangadharan, 2021). Hence, active and hyperactive placement in a positive context is highly suggested for brand placements. For example, in 'Bigg Boss' Season 2 (Tamil) (Disney+Hotstar-Day74, 2018), contestants have been asked to prepare Biryani using India Gate Basmati rice with cameras'

explicit focus on the brand in a positive background of the shot, where the character interaction has been exposed.

### **Brand Familiarity**

Placements involving well-known brands, which are more accessible in memory, could automatically attract more attention and trigger greater interest through personal relevance (Balasubramanian, Karrh, & Patwardhan, 2006). On the other hand, placements involving unknown brands might yield a larger effect size compared to well-known brands because the memory for unknown brands is not yet established in the subject's mind. Earlier studies state that hyperactive placements have been explicitly associated with well-known brands so that the brands could easily trigger the persuasion knowledge of viewers even without product display. Over half of the placements integrated into reality shows are passive placements. This suggests that the use of active and hyperactive placements has not been considered extremely important. Active and hyperactive placements benefit celebrities' endorsements more than traditional advertisements. Unfavourably, only 'well-known' brands have leveraged hyperactive placements despite its need to 'haven't heard before' brands and 'know by some people' brands.

### **Brand/setting fit**

Earlier studies have exposed that the congruence effect of brands has been manipulated by the audience watching experience. Mainly, viewers who are new to the show evaluate the brand more positively when the integrated brand is congruent with the plot and character interaction (Chen & Wang, 2016; Natarajan, Jayapal, Jegan, & Gangadharan, 2021). Therefore, marketers should consider placing brands in relevant settings or to the ongoing plot and rationalising the appearance or use of the brand.

### **Placement Timing**

'Bigg Boss' has witnessed higher viewership during holidays than working days (ZAPR, 2017), unquestionably due to Kamal Haasan's (Host of the show) arrival on Saturdays and Sundays to elect and evaluate contestants as per the rules of the show. Also, viewership on holidays is higher than the viewership on working days (BARC, 2018). So, it is prudent to place brands on episodes being telecasted on holidays to increase their presence.

### **Plot Connection**

Plot connection enhances the effects on brand placement memory, attitude, and purchase intention (Natarajan, Balasubramaniam, Stephen, & Inbaraj, 2018). Plot-connected placements are typically prominent (e.g., car brands in several James Bond and Avenger movies). Although strong plot connections and prominent placements in audio-visual vehicles are usually expensive, they may be more common among well-known brands. The important cost difference between placement types might be appreciated differently by the company managers of an unknown brand, depending on the outcomes they ought to achieve.

### **Placement disclosures**

Generally, placement disclosures are defined as a way to disclose the use of brand placement to make the audience aware of persuasive intent as a response to ongoing worldwide public policy concern and an attempt to school consumers against embedded marketing techniques (van Reijmersdal, 2015). However, by disclosing the presence of brand placements within a program, viewers may become more aware of the placements and more likely to remember them (Van Reijmersdal, Boerman, Buijzen, & Rozendaal,

2017). Because the brand (e.g., name, logo) is a part of the brand placement appearing in a movie or television program, we might also expect disclosure to strengthen the brand placement effect on brand salience (e.g., ‘Airtel’ Super Singer). However, advertisers are recommended to subtly place their brands by increasing their appearances over the weeks. This leads brands to capture more attention and enhance positive reception without distracting the entertainment.

### **Brand Awareness**

Brand awareness is a marketing KPI that tells you how well people recognise, notice, or think about your brand when they're making purchasing decisions. If you have high brand awareness, then you have a strong brand presence that consumers recognise and contemplate when they need a product (Chan, 2019). If you have low brand awareness, then consumers might not know your brand existence and therefore may not tend to purchase your unknown product. For example, when someone wants to buy ghee, what's the first brand they think of? Probably RKG Ghee.

Considering the above factors, Mr. Ram can finalise the best brand placement type among passive, active and hyperactive placements for his product.

### **Conclusion and Recommendations:**

Mr. Ram has finally examined the reason for his new product's failure. He has identified that he can make his product successful through brand placement. So, he inspected the plausibility of integrating his product in reality shows which can be telecasted on TV and OTT platforms. Advertisers and marketers see brand placement as essential communication and brand-building technique. The possible advantages of engaging in such a strategy for advertisers could be more far-reaching and beneficial than previously thought strategies. Brands seek to gain attention for their products over brand placement as they can bring positive messages in a non-commercial environment. Successful product placement relies on cognition and affection-based perception of customer reactions to the product. Advertisers may strategically schedule a placement with program sponsors and broadcasting agencies before the script or plot was created. Marketers can even plan the integration of the brand with the producers even after the script. Due to technical advancement, they can insert a brand logo through software even after the program. Broadcasters can also be paid to provide free products from the sponsors; advertisers can be significantly paid through effect over how their brands will be depicted in a TV program. From a marketing standpoint, there are several successful

methods to advertise a brand than introducing it to show its utility and value. A TV program with a well-established loyal fan base and the placed brand share a similar intended audience, likely to appeal to consumers and significantly affect it. The strategic approaches of brand placements have to be more innovative to influence viewers, particularly India's social and economic system, as audiences still view the brand and recognise it. Hence, placement type is significant in integrating brands into reality shows. Further, the impact of brand placement on consumers differs according to the type of brand placement. Hence, Mr. Ram has been in a quandary to determine the effectiveness of brand placement in passive, active and hyperactive placements. Finally, based on the above-discussed factors, Mr. Ram can scrutinise his situation and decide the appropriate brand placement for his product's success. Therefore, he can come out of his predicament and increase his product's sales.

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## **Brewing Stronger - A Case of the Successful Turnaround of Cafe Coffee Day**

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### **Abstract**

The ability to persevere through adversity and manage disruptive changes marks the important trait of a resilient leader. The sudden demise of the Indian Coffee House Company, CafeCoffee Day's founder left the company under a great liquidity crunch. Mrs. Malavika Hegde, wife of the deceased founder, took over the reins of the company and rebuilt it with effective restructuring strategies. The purpose of this study is to explore the determined leadership of a grieved wife who turned into a resilient leader. The effective turnaround strategies exhibited by the top management and leaders, plays a vital role in reviving a distressed business. The study helps in providing an insight into the link between leadership and management of the turnaround process.

### **CAFE Coffee day**

In the late Nineties, when the IT sector in the country was burgeoning, the cafeteria culture also began to grow rapidly. The devour love for coffee in the nation had grown due to the stipulation of ready to drink changing culture. Coffee is a timeless preference in a society like India. It has become an essential component of society's daily routine. Fueled by modernization and the desire for a quick, high-quality product, the coffee market expanded rapidly in nations around the world. Coffee shops are springing up all over the place. In India, there is always a battle between a mug of coffee and a cup of tea. India may be a chai drinking country, but cappuccino is quickly gaining popularity among tea consumers. Initially, there was concern that there would be a lack of acceptability, but the coffee industry is now proving that those who cling to quality will have an advantage. The coffee market increased continuously, offering plenty of space for profit and returns. Coffee shops are the swiftest sector of the restaurant business.

V. G. Siddhartha founded the Cafe chain in 1996 when he founded Coffee Day Global, the Coffee Day chain's parent company. The first store opened in Bangalore, Karnataka, on July 11,

1996. Amalgamated Bean Coffee Trading Company Ltd, India's largest coffee company, owns Cafe Coffee Day. With its initial Cafe in Bangalore, it was the first in India to introduce the coffeebar idea. Cafe Coffee Day is India's only vertically integrated coffee company, serving coffee grown on 6000 acres of its own plantations and another 2500 acres of managed estates. Apart from this, the group also sources coffee from 11,000 small growers.

Coffee is a huge market, and the company has built a business model around coffee drinking customers and provided jobs to rural youth. The unique proposition differentiating the brand includes a variety of hot and cold coffees with a dash of international flavor. It features a well-equipped roasting equipment that caters to the needs of the customers. The unique color themed restaurant and the customized furniture adds on to the aesthetic brand appeal of the business.

### **The Rise and Fall of the Coffee King**

Coming from a coffee-growing family with a 135-year history, the coffee baron, VG Siddhartha, began investing the earnings from his start-up venture in acquiring coffee farms in Karnataka's Coffee Heartland, the Chikmangalur. He was influenced by the world's top coffee brands, and that stimulated him to start his own coffee business. Through his cafes, he made drinking coffee a necessary experience in the lives of ordinary people.

Cafe Coffee Day eventually grew, with many coffee outlets opening in the prime cities. They also started to design their own coffee vending machines and kiosks, which were set up in all the technological parks. In India, it was able to gain the first mover advantage, competing with the global brands Starbucks and Costa Coffee, which had set up their businesses later. Thus, the business spurred, setting up to be the top coffee house in India.

But, in September 2017, the Income Tax Department raided the premises of V.G. Siddhartha and discovered Rs 650 crore in hidden income through documents confiscated as part of the search and seizure operation. As of March 2019, Cafe Coffee Day had accrued a total debt of Rs 6,550 crore approximately. While, VG Siddhartha, the founder, wrote a heartfelt letter to the company's board of directors and employees before disappearing, in which he claimed full responsibility for the company's inability to develop a sustainable business.



The lament CEO has been in talks with selling stakes of the company to global beverage manufacturer Coca Cola. A part of the debts was also planned to be settled by selling his real estate subsidiary of the company, Tanglin. Also, he sold his shares of the consulting company, Mindtreeshares, which barely made up for the heavy debt. Despite taking all these measures, he was not able to take up all the pressure from his lenders. This has led him to take his own life and collapse his entire business. After which, his wife Mrs. Malavika Hegde who has served as a non-board member in the business took over the company and revived the company.

### **Brewing New Possibilities**

Financial obligations are becoming increasingly difficult for businesses to meet. When a company's cash flow is insufficient to satisfy its financial obligations, it is said to be in "corporate financial distress." In such a case, a company should explore the root of the problem in a financial emergency, and the company's financial structure has to be restructured.

Coffee Day Enterprise Limited (CDEL), which houses Cafe Coffee Day, reported a net debt of Rs. 1,731 crores in its Annual Report 2021. This indicates a major reduction in the amount of debt from Rs. 7,231 crores as on March 2019. After the sudden demise of the company's founder, in July 2019, his wife, Mrs. Malavika Hegde, took over as the new CEO and rebuilt the company from a very critical stage. This case analyses the resilient leadership of Mrs. Hegde and the major turnaround strategy of India's biggest coffee retail chain.

### **Corporate Debt Restructuring**

A restructuring plan was the major strategy followed by the company, to ensure the safety of lenders' funds and the interests of other stakeholders. The Corporate Debt Restructuring (CDR) Mechanism is a tool that allows businesses to get out of financial trouble and avoid going bankrupt. It protects all of the company's stakeholders, including banks and investors. (Appa Rao & Jessica, 2017)

A business with a core asset and a non-core asset that has a funding need can fulfill it by selling a portion of the non-core asset (Edmans & Mann, 2019). The key Debt restructuring plan of Cafe Coffee Day, was to sell a few of its investments and assets, which would reduce the overall debt of the firm to a manageable level. The sale of its

massive corporate office lease helped in monetizing a portion of the debt.

Issuing appropriate financial instruments was another significant restructuring strategy. The company issued optionally convertible debentures or bonds, which helped in diluting the stakes of the lenders. Despite being under a great deal of financial distress, it did not seek a haircut from its lenders. Cafe Coffee Day's core business operations has the potential to handle Rs. 600 crores from its current revenue. Thus, the company ensured following a slew of planned recovery measures.

### **Cost Efficiency Strategy**

To manage and eliminate undesired expenses, cost reduction tactics are viewed as critical to any organization's growth and survival in a highly competitive climate. Another key strategy followed by the firm was to save the costs incurred and overheads of the company. Curtailing the scale of operation by reducing the number of outlets from 1752 stores to 550 stores and decreasing the number of vending machines from 70,000 to 60,000 machines helped save huge overheads for the company. It is necessary for organizations to use cost management and cost reduction schemes in their operations to make them a success. Material, labor, and overhead costs might all be carefully controlled. Budgets must also be used to monitor the organization's operations to ensure that money and resources are not being wasted. (Akeem, 2017).

Driving the current revenue earnings was also made by diversifying and expanding its product line. New products were introduced apart from its main products coffee, like breads, desserts, cold refreshers, and beverages. Besides innovative food combos were curated specially for different classes of customers which helped in attracting new customers. This enabled the company to increase the net income from operations and settle a considerable amount of debt.

### **Women Resilient Leadership**

Leaders, when faced with failure or difficult circumstances, must be aware of the possibilities and know how to deal with them. Their ability to recover from setbacks is critical to the organization's rebirth. (Dansereau et al., 2013). Leaders who can persist in the face of overwhelming odds are better capable of turning problems into successes and achieving a heap with a bit. A robust leader can assess events in order to achieve current objectives and building on previous accomplishments in order to attain the desired

outcome.

People believed that the company would fail after Siddhartha's death, and there were many uncertainties about who would operate it after him. It must be observed that after Siddhartha's demise, the company did not wish to choose an outside person as the company's new CEO, as in such circumstances, a fresh external individual would have battled to manage all the unsettled concerns, as well as the company's day-to-day functioning. (Singh, 2020). Mrs. Hegde was selected as the new CEO as she was familiar with the organization and had the potential to run the company efficiently.

Though women are sometimes stereotyped as being fragile and sensitive, female entrepreneurs are considered to have leadership qualities, styles, and talents that help them succeed in business and in life. (Acevedo-Duque et al., 2021). When businesses were closed during the COVID-19 pandemic, Cafe Coffee Day managed to grow even during the lockdown. All this has been made possible because of the "hero of the CCD", Mrs. Hegde. Not only did the brave woman manage to reduce the debt, but she also worked on the business's recovery through her resilient leadership. Strong leadership is found to be the most important factor for successful turnarounds (Bibeault, 1982).

Mrs. Malavika had the potential to work to her best under hardship, deal with shocks, and adapt. She has proven to be resilient in the face of adversity. She also mastered profound challenges without indulging in wrongdoing or causing harm to others.

## **Recommendations**

The significant efforts of Mrs. Hegde to revive the business amidst heavy debts proves to be virtuous. Even during the pandemic, the company ensured to maintain its brand value and build relations with many new investors. The pandemic had already wreaked havoc on small firms. There had already been mass layoffs and business closings. Many companies were left with little money at the outbreak of the pandemic, implying that they drastically slashed costs, took on extra loans, or filed for bankruptcy. (Bartik et al., 2020) Even during this market slowdown, she ensured that the business runs smoothly and maintained the company's brand value. This proves to be an important trait for an entrepreneur, to substantially revive a company, when many business tycoons flee to foreign countries, not being able to pay the debts.

As the Covid protocols are relaxing across the country, the company can introduce new product lines and innovative menu options to increase the cafe's footfall. Investors should pay attention to the company since it is back on track and pumping in more

capital. It will boost the confidence of the embattled managers.

Unleashing these new challenges, the managers may also look in for a haircut from the banking lenders to reduce the amount of debt. This would help in reducing a substantial amount of debt. Company's haircut approval, diluting its non-core business activities, diversifying and expanding its core business activity can also be recommended as other turnaround strategies for restructuring the indebted company.

However, Mrs. Hegde's leadership helped the company rebuild and preserve the company's brand. While many corporate billionaires left for foreign countries, she chose to run the company and reconstruct it. Thus, the case of Cafe Coffee Day proves that even a desperate organizational decline can be set right by a resilient leader.

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# **E-commerce Hyperlocal Marketplace Model for Delivery of Baby Products and Foods**

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## **Abstract**

In today's scenario, parents are very keen in giving best to their babies and kids irrespective of the price and the distance. Babies are very sensitive, and parents do not want to take unnecessary risk of trying out various products. Adding to the above, both the parents are working. One more reason is that both the parents are employed, and their combined purchasing power is higher. Earlier, families operated on a strict budget. But, nowadays, parents are not price-sensitive especially when it comes to their babies. They want to give their best for their children as the early years between 0 to 4 years are the most precious years as babies reach many crucial milestones during this period. One more advantage is that the e-commerce industry has shown a tremendous growth across all sectors and baby products is not an exception. E-commerce companies showcase the best of the baby products available all over the globe and customers can purchase it, whenever and wherever they are. This case study analyses the needs of customers or parents who would like to have an instant or an emergency delivery of baby products or children's food. This case study also analyses the various models which can be made use of in delivering these products either instantly or regularly at set intervals in a day to babies and children, thereby addressing the needs of the customer or a parent.

**Keywords:** *Baby Products, Children Food, Hyperlocal Delivery Model, instant Food Delivery, Aggregator Model*

## **Introduction**

Any product that promises to meet the demand for taking care of an infant, generally between 0-4 years of age, falls under this baby care industry. Baby care segment comprises of those products which address various basic needs of a baby in its day-to-day life. Typical product groupings in this segment are skin care, hair care, baby food, toiletries [diapers and its accessories, wipes], apparels & footwear, toys, baby convenience and safety products etc.

Most of them do not prefer coming back to the same brand once they have had a bad experience, for example an allergic reaction caused by using a soap, after using the same

product, however attractive the offers may be. This clearly shows that not only babies are sensitive but also the entire baby care product business is extremely sensitive. Once the customer is not satisfied by the product, you completely lose the customer, whatsoever efforts you make in promoting it.

Baby products businesses are growing according to specific needs of the customer. Lot of study and research is going on to satisfy the customer by not only customizing the product, but also customizing the service.

There are some important facts with respect to baby products in the Indian Market scenario. According to RNCOS report, “India has emerged as the most preferred market for the companies that manufacture baby care products”. India with a population of 1.34 billion is the second most populous country in the world, while children represent 39% of the total population of the country. Technavio’s market research analysis identifies the increasing awareness of baby hygiene as one of the primary factors that will fuel the growth of the baby hygiene products market. According to Grand view Research, Asia Pacific market was the largest baby products market in the past and will expand further on account of growing awareness about baby nutrition, hygiene, and safety.

## **Background**

In my previous study I have found that there are six different variables that influences the purchase intention of the baby products through online across all baby product segments. Those variables are Attitude, Subjective Norms, Behavioural Control, Purchase Experience, Website design and Trust. According to my study, Trust and Purchase Experience plays a major role in purchasing the baby products through online.

As a next step in creating a more satisfactory purchase experience of baby products, making them reach the customer quickly, especially in terms of emergency is a boon to parents. As both of them are working, it is quite impossible for them to keep track of baby supplies. It is even more difficult wherein some babies are taken care by their grandparents or nannies who cannot rush to a particular store, in case a need arises. And since it is a baby product, it cannot be substituted also. To address this problem, we are trying to find out the most suited business model, especially with the help of technology. Is there any business model to deliver the baby products in emergency?

There are top 5 existing baby products multi-vendor marketplaces in India. They are Firstcry.com which is the largest online store for babies and kids in India and Asia,

owns over 380 stores in India. Then, Hopscotch has shown a consistent business growth of 700% year after year. Myntra has over 40 dedicated brands and 100 national brands in baby wear products; plans to tap the organic baby wear segment. Amazon – launched a dedicated baby products store in 2018. Flipkart, in addition to e-retailing, has also opened a Parents Club program as a part of their engagement strategy. Every company now has been engaging and providing the customers with their best solution.

Indian start-ups like **Theglobalstocks.com** and **Flintobox** are trying to make the most out of the huge demand for baby products today and are especially looking at the e-commerce space for a faster growth. **Verun Rastogii**, Founder and CEO, **Theglobalstocks.com**, stated that it's an upcoming business category. The nuclear family concept in India with both parents working, leaving the single child to be taken care by a governess has boosted the business.

“Most of the shopping happens in guilt, as they aren't able to spend much time with their kids and secondly, a new-age parent is more brand and quality conscious,” he opined.

### **Problem**

Products such as baby furniture (strollers) can be bought online or in a retail store, but products like baby food and diapers need constant replenishment. Parents in their busy schedules may slip to stock products regularly.

To avoid this hassle, we propose an app which offers on time and quick delivery solution of child-care products like baby food, formula and diapers to customers, through a subscription-based model. This offers a better engagement with customers and profits can be shared to customers through discounts. Trial versions of the app are also available.

Regarding baby food, only cereal based baby food is mostly available in stores. These foods are loaded with sugar and are linked to childhood obesity. Fruit and vegetable purees are easy on babies' tummies and are also rich in fiber. These products are offered by very few brands such as Gerber. They have a mild sour taste as they use citric acid as a natural preservative for their purees. But if moms-at-home can venture into preparing baby food, our solution will be to procure it from them and deliver to customers instantly.

Our model would cater to:

- Parents
- Customers who buy for gifting purposes



- Creches/Daycare
- Preschools which provide meals for children

### **Current scope**

The current scope of study covers babies and children (up to kindergarten level). This solution can also be extended to older school children where healthy, home cooked nutritious meals can be delivered to school children. In the UK, school children are provided with lunch by the school. The entire meal planning exercise according to their age and dietary needs is taken care by the schools themselves which reduces a great deal of burden off the parents' shoulders. They try to keep meals at school interesting by offering a small portion of dessert as well in their every meal along with salads, fruit cuts and veggie sticks.

Our delivery app needs to connect schools as well as such cloud kitchens which can provide nutritious meals to children in a hygienic, safe and a trustworthy manner.

### **Solution**

We have been analysing various strategies to develop a proper delivery model for any marketplace and we found that the concept of a *Hyperlocal Marketplace* would be beneficial.

Hyperlocal marketplace players, with their agile and customized delivery options, have caught the eye of consumers. It provides services at the doorstep of the customers and it empowers customers digitally.

“Hyperlocal platforms solve the problem of matching immediate demand with the nearest available supply in the most optimized manner”.

The exhibit which indicates that there has been an increase in the investments towards the hyperlocal model is a proof that this model would be definitely beneficial in our case.

Table 1: Investment in US \$ from 2013 to 2018 in respective category of E-commerce

Category	2013	2014	2015	2016	2017	2018	Total
Hyperlocal	36.8	65.5	353.5	100.6	109.3	1637.0	2302.7
Travel and Hospitality	8.6	30.3	167.8	205.0	578	1025.8	2015.5
B2C	499	3041.2	1914	770	2586.2	1002.3	9812.7
Edtech	14.1	5.1	30.2	151.3	89	742.2	1031.9
Payments and Wallets	5.5	1.0	3.6	7.6	1425.4	564.0	2007.1
B2b	6	35.2	22.7	98	60.8	540.1	762.8
Mobility	7.2	269.8	939	38.5	1262.4	379.7	2896.6
Fintech	6.1	52.3	439.2	83.6	251.6	347.7	1180.5
Healthtech	6.1	52.3	439.2	83.6	251.6	347.7	1180.5
Social Commerce	0.1	57.7	169.2	44.1	18.1	100.2	389.4
Gaming	1.8	0	5.5	1	80.6	104.4	193.3
Logistic Tech	14.1	5.1	30.2	151.3	89	742.2	1031.9
Online Classified Services	22.4	245.0	487.5	206.3	141.6	236.0	1338.8

### Why hyperlocal?

A hyperlocal model can be defined as an online business model in which the on-demand needs of customers are met through local offline shops via a digital platform. The demand for goods and services of customers like grocery, medicine, laundry service, etc. are met instantly.

Hyperlocal models help sustaining local businesses & farmers and brings down artificial inflation.

There are 2 types of models in the Hyperlocal Marketplace:

- **Hyperlocal Services** - It includes the service sector, which provides laundry service, home services, logistics, medical and associated services, etc.
- **Hyperlocal Delivery** - The delivery is concerned with the delivery of food products, groceries, electronic gadgets, home necessities, etc.

### Hyperlocal Delivery Industry

The hyperlocal delivery industry was worth \$1324 billion in 2019 and is expected to grow to \$3634 billion by 2027, with a CAGR of 17.9% throughout that time.

Rapid improvements in the hyperlocal delivery sector have been spurred by rising customer demand, which has been fueled by increasing internet and smartphone penetration, urbanization, and changing customer behavior.

With growing demand for home service, customer mindset is more open than ever to pay a convenience fee for home delivery of food or grocery from their nearby favorite outlet.

### **Factors affecting a Hyperlocal Delivery model**

Main factors affecting the efficiency of a Hyperlocal Delivery model are;

- Area of operation
- Needs of the population
- Connectivity

The must-have features for a hyperlocal marketplace are:

- A robust navigation system
- Quick vendor onboarding process
- Multi-tier tax management system
- Automated marketing platform
- One-stop logistics solution
- Adaptive payments for multi-vendor orders
- Comprehensive seller ledger (Supplier Relationship Management)
- Logistics & Shipping

And the players in the Hyperlocal model are:

- Suppliers (Local Business/Retailers)
- Aggregators (Hyperlocal Players)
- Consumers

These aggregators use the following techniques for Hyperlocal Targeting, in order to market your app and gather attention;

- Identify the type of customers in your locality
- Make a classification based on their income, spending patterns, the time they spend on physical stores, their accessibility to technology
- Devise strategies to reach your clients

Hyperlocal delivery can be executed in the following ways:

- Aggregator model
- Single store model
- Store pick model
- Hybrid model

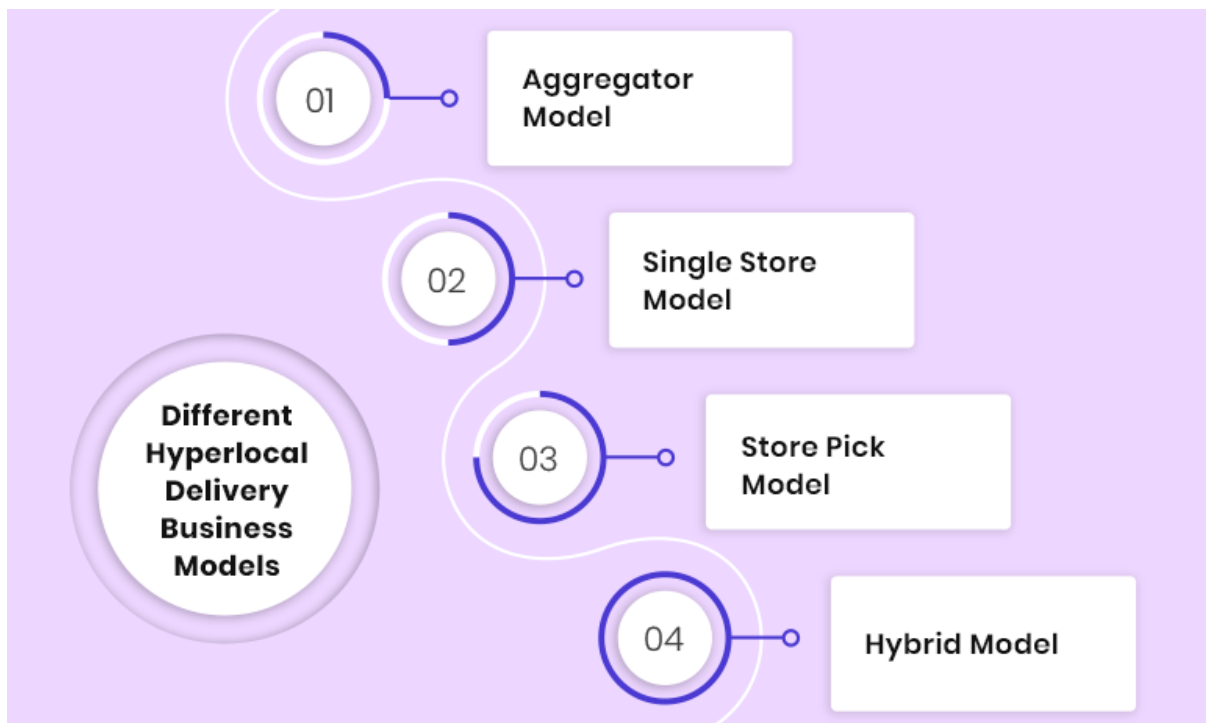


Figure 1: Different Hyperlocal Delivery Business Models

***Aggregator Model:***

- Not capital intensive
- Company acts as a mediator between offline retailers and consumers
- Company has no assets of itself (e.g. eBay)
- Model applicable for both products and services

- ❑ E.g., Zomato, Urbanclap

### **Single Store Model**

This model is for retailers who have an existing offline retail store and now wants to go online.

- ❑ Sells products only from a particular retailer
- ❑ These companies maintain their own inventory
- ❑ E.g. Pizza Hut, Dominos, Hello Fresh

### **Store Pick model**

Customers order stuff online and pick from stores at a time convenient for them. The advantage is that the customer doesn't have to wait to pay to get the item E.g. Tesco, Walmart

### **Hybrid Model**

Many apps do not handle any doorstep delivery but just offer discounts for purchasing E.g., Dineout which offers an array of coupons for table reservations at restaurants.

Of the above 4, we need to find out the best execution path for the baby products segment.

Which model to choose:

The Aggregator model connects all baby products stores nearby based on haversine distance or the great circle distance which is one of the accurate measures to calculate the minimum distance between 2 latitude-longitude co-ordinates on the earth's surface.

Not only baby products, but also partners who can provide fresh home cooked food for babies and kids based on their dietary needs can also be tied up with our solution.

To best meet omnichannel retail challenges, retailers should establish effective last-mile supply networks (LMSNs) that align their marketing efforts with operational distribution activities to achieve success in the broader e-retailing environment.

A sensitivity analysis using Monte-Carlo simulation can be done to recognize the impact of operational risk, demand uncertainty, and perishability on the expected cost.

### **Proposed sample aggregator model**

The company acts as a single point-of-contact for ordering food thereby playing the role of an aggregator. It also has its own delivery fleet which ensures last mile delivery. This results in extremely quick and convenient food ordering for customers and increased revenue streams for restaurants. The company can also have a twin partnership with stores or cloud kitchens and delivery fleet. For restaurants, the incentive to get on board the company's platform is to get access to a wider customer base in their area, access to an efficient delivery fleet, availability of business metrics and finally customer feedback through the application. The revenue of the company includes the commissions it receives from the store/cloud kitchen on each delivery, the delivery charges paid by the customer, advertising, its own restaurants, affiliate income by referring credit cards to its customers and its cloud kitchen services. It usually charges a 15–24% commission on the order bill amount received by the restaurant.

### **Net Zero target**

Though being hyperlocal, we can also contribute from our side towards Net Zero emissions by operating a fleet which entirely runs of EVs (Electric Vehicles). Alternatively, solar power could also be harnessed for our fleet solutions. If this couldn't be done in-house, we can tie up with companies such as Terrago which already offer emission-free fleet solutions.

### **Future scope**

Connecting human milk banks in nearby locations and offering supreme hygiene and care while delivering milk to premature babies or to babies with moms who are sick and unable to breastfeed.

The app acts as a 2-way delivery partner for milk banks – donor <> bank and bank <> consumer.

### **Recommendations**

This paper therefore discusses the problems and needs of modern age parents and also addresses their various needs.

For instant or regular delivery at a set time interval, a hyperlocal delivery model can be made use of. Of the various hyperlocal delivery models available, the aggregator model is suggested to be the best model to delivery baby needs, baby and children's food, either to home or school regularly or even milk from human milk banks for premature infants or infants with special dietary needs.

To be more climate and environment conscious, this paper also suggests to make use of solar powered or electric vehicles for delivery.

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# **Emergence of Retail Pharmacy Chains and its impact on the People's Health**

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## **Abstract**

Over the past one decade the organized retail pharmacy space is growing steadily. Also more and more number of people is turning towards the modern retail pharmacy chains to buy their medicines and health care needs, this can be attributed to various factors like, cleanliness, availability of wide variety of products, ease of transaction using digital platforms, additional services at no extra cost, discounts offered by these retail pharmacies, location of these retail pharmacy stores in an easily accessible prominent locations, availability of medicines and other healthcare products in adequate quantity, also availability of house hold medical devices, etc.

## **Introduction**

In the past people use to visit the traditional medical shops most of the time after visiting the physician to buy the prescribed medicines, the scenario was the same in both urban and rural areas. Later as more and more people started migrating from rural areas to urban areas in search of livelihood; many of them are known to have stressful life styles because of unhealthy foods, sedentary life style, working at different countries time zones, etc. As a result life style diseases like diabetes, heart disease, obesity, etc., started showing up among the many people irrespective of their age, including the kids. Therefore the focus among many people especially in the urban areas has shifted towards preventive healthcare because people have started to understand the importance of good health and how to achieve that by various means.

Further to add, improvements in the medical infrastructure, considerable growth of middle class households, penetration of health insurance, etc. are significantly affecting the growth of the retail pharmacy sector.

In the recent past people started visiting pharmacies not only to buy prescription drugs but also to buy health care products like immunity boosting products, food supplements, household medical devices, etc. Looking at the prevailing market opportunity both domestic and international players started expanding their product portfolio by adding preventive healthcare products.



There is always an increase in demand for quality healthcare products; this in turn is driving the growth of the organized retail pharmacies in India.

## **Background**

Indian pharmaceutical market is driven by quality and low cost production. Over these years there has been a paradigm shift, the medical shops in the crowded neighbourhoods are being replaced by large format retail pharmacies promoted by organized players. The entry of the organized players like Apollo pharmacy, med plus, etc. Is changing the existing business format of the pharmacy. The modern retail pharmacy chains provide better consumer experience. They offer value added services like air-conditioned retail outlets, extended working hours, free door delivery, personal care, etc.

Modern retail pharmacy sector is contributing to the society by providing more job opportunities.

## **Problem**

There has been an increase in the number of people, who suffer from life style ailments on a day to day scenario. Therefore more and more people are going to visit the pharmacies to buy their prescription based drugs to get cured. This in turn will help in the expansion of the retail pharmacy market.

Pharmacy retailing requires huge capital because the store has to be set up in strategic location; margins and prices are already fixed by the regulatory bodies, high operational costs

Retail pharmacy sector is considered as the sunrise industry in India. We can see many players entering this sector including independent entrepreneurs, big business groups, and corporate houses from other sectors that don't have pharmaceutical or healthcare background.

In addition to their offering of a range of reliable and quality products, retail pharmacy chains are witnessing the growth of private label brands, this can be a concern. Most of these private label brands operate in the areas of wellness and beauty category and also in the prescription medicine category (Medicines used to treat diabetes & heart disease, vitamins, etc.). Private labels offer huge margins ranging from 40% to 50% when compared 10% to 25% offered by the branded products manufactured by reputed world class

companies adhering to good manufacturing practice and FDA norms of both domestic and international standards. But what will be the quality standard of private label products? Especially those medicines which are supposed to treat chronic diseases?

In general people are loyal to retail pharmacy chains. This becomes a win –win situation for the pharmacies and the consumers.

Present day consumer is visiting the retail pharmacy store as a one stop solution for their health related needs. Ranging from buying healthcare products to availing basic health checkup and diagnostic tests like blood pressure checkup and blood sugar checkup. Even at times taking a flu vaccine shot.

Even though retail pharmacy sector provide socio-economic benefit to the society by providing jobs does they employ the right people as primary care providers?

Do retail pharmacy stores attract customers because of the discounts they offer?

Why retail pharmacy chains have not penetrated the rural markets, does it require a different model compared to the urban market?

**Proposed Solution:**

1. Pharmacy council of India should regulate the employment of primary care workers in the retail pharmacy sector.
2. There should be a regulatory body to check the quality of the private label brands
3. There should be cap fixed by the regulatory body with reference to the discounts offered.

## **Self Service Technology: Digital Experience of Consumers - A Case Study**

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### **Abstract**

Self Service Technology determines the routine work of businessmen and commoners as well. In the competitive world, to remain in the existence of business, usage of Self Service Technology has become essential. No industry in the world can go unnoticed the self service technology as it causes severe impact on digital economy. Today, people prefer to buy anything without the presence of any human being. It is because self service technology assists the people in each and every respect. Users also have fruitful experiences while using Self Service Technology in many business establishments, Industry, Government Organization, Banks etc. In this study, researcher has conducted the quantitative and qualitative case study on Self Service Technology and Digital Experience of Consumers. Totally, survey was conducted on 125 people frequently using Self Service Technology. Both Primary method and Secondary method of data collection were made. Purpose sampling method was used in the study.

**Keywords:** *SST, LISREL, Professed Ease of Use, Professed Security and Trust.*

### **Introduction**

In the emerging trend of digital economy, application of self service technology is getting frequented. As we know, Self Service Technology is regarded as a tool to drive users to avail variety of services without coming to contact with any service providers. In other words technology, that empowers the consumers to complete and manage a transaction or gather information without the involvement of employees. Gone are the days when, people had the only option of doing anything through the assistance of someone. Self Service Technology revolutionizes the world of commerce and industry. Ill-fated lives of users are vanished by the emergence of Self Service Technology. This influences the consumer's tastes and preferences. Transactions by way of Self Service Technology become convenient, faster, quicker and with more accuracy. It provides consumers with

services that replace the face to face interaction with independently changed customer interaction.

### **Concept of SST**

The modern era is consumer centric and makes the lives of consumers easier, more convenient and flexible due to the presence of latest technologies. One among many important benefits of Self Service Technology is that aiming at reducing the processing time of transactions and waiting time of consumers. The concept of Self Service Technology is to use the most prevalent technologies as and when they are invented that will lead to increase the satisfaction of consumers. Today, many industries get influenced by the application of SST. Even vendor running small shops are not exceptional to this. Intensive use of Self Service Technology has achieved many milestones and ensures that reduction in the chances of failure. Likewise, companies are exposed to many challenges while managing and implementing effective Self Service Technology.

### **Self Service Technology from Consumer's Perspective**

Self Service Technology has come to decide the lives of people of different walks of life. Dominance of Self Service Technology begins not only from commercial transactions offered by business houses but also governing the personal life of people. Today, many transactions are done via digital platforms. The level of trust on Self Service Technology has started increasing forever. Nonetheless, Self Service Technology has become part and parcel of every human being as well as business establishments. Consumer experiences the benefits arising due to the usage of Self Service Technology. They have come across invisible experiences in terms of Professed Ease of Use, Professed Usefulness and Professed Security. With the emergence of latest technology all over the world, people from different countries evenly use the Self Service Technology in many forms. Banking transactions also are processed within a fraction of while and reduces the inconvenience of consumers. People hailing from in and around villages also are well aware of Self Service Technology as people over there have started using the Self Service Technology after getting to know it's perceived benefits.

### **Objectives of the Study**

1. To examine the digital experience of consumers so far as the adoption of Self Service Technology
2. To explore the variables of Professed Ease of Use, Professed Security and Trust immensely promoting digital experience to consumers.

**Statement of the Problem**

Even as there are plenty of benefits being accrued to consumers by dint of application of Self Service Technology, Still there are real time challenges and concerns via the constant usage of Self Service Technology. The challenges and concerns include security issues and existence of malware transactions. While handling cash related transactions, amount is deducted from the client account and dealer remains unpaid. Some industry finds it difficult to put SST in place as it consequently disrupts consumers. Moreover, consumers prefer offline mode of payment over online mode of payment due to security reasons. Degree of reliability also is a matter of serious concern and forces the consumers to use offline mode of transaction in some specific cases. Self Service Technology is user friendly in case of the people having high literacy. Therefore, people in villages face some real time challenges due to the way SST has been designed by the experts.

**Scope and Significance of the Study**

This study highlights the digital experience of Consumers by using Self Service Technology. Self Service Technology is getting indispensable as it directly and indirectly adds values to consumers. In these days, many transactions are opted for digitally because of the existence of Self Service Technology. Business houses in large numbers promote their businesses through the adoption of Self Service Technology. Ticket also can be booked online and through mobile phones. Payments also are made with the assistance of Self Service Technology. Businesses also think of permanently managing and implementing Self Service Technology as they are likely to face stiff competition in the market. To survive in the long run, adoption of Self Service Technology is the one and only option to any form of business. People of today want to have convenience and flexibility while doing anything in their day to day life. Gone are the days when people used to have offline mode of shopping but today due to the presence of technology, everything is gotten at the doorsteps of consumers. Even, government establishments also want to do benefits to the consumers as they are exposed to the risk of competitions. They have improved the service quality as that of private organizations. Therefore, this research paper attempts to highlight the digital experience of consumers while using self service technology. Three variables only are taken into consideration to measure the digital experience of consumes. They include professed ease of use, professed security and Trust.

## Review of Literature

**Maryam Barkhordari et al. (2017)** reiterated that the presence of the trust in Self Service Technology has influenced many industries. The underpinning shortcoming of internet banking systems is the customer's thought of protection against the difficulties and trust. This research work emphasizes on key factors affecting confidence in Iran's self-service technology systems. A potentially decisive set of trust elements is fostered and grouped into three main groups. Methodological transactional methods, Admittance to guiding principles and ease of use. Empirical studies assess the direct impact of determinants on confidence and their indirect impact on perceived security. Data is collected from customers in several industries in Iran. This shows that both perceived security and trust have a positive effect on the use of electronic settling systems. The results show that technical and transactional procedures and Admittance to guiding principles are the most influential factors in recognizing customer trust. The results are further compared with those from analogous topical studies. The results provide decision makers with a guide to developing the right elucidation that can facilitate the espousal of electronic settling systems.

**Muhammad Shahid Iqbal et al. (2018)** propagated that Quality of service has been the subject of extensive research for decades, but is now emerging in the form of self-service technology (SST), where customers interact with their business and are positive: It has a great influence on how to produce good results. Therefore, the main purpose of this work is to investigate how technology-enabled services, or SSTs, affect customer satisfaction, loyalty, and behavioral intent in Pakistan's service sector. Data was collected from 238 SST users through an online survey. Structural equation modeling using the LISREL program is applied to test the model. The results of this study show that there is a constructive and significant affiliation between the usefulness and ease of use of SST and behavioral intent through customer satisfaction. These results provide insights for Pakistan's service sector to invest in new technologies to improve their professed utility and ease of use, loyalty and intent.

**Norhayati Omar, et al. (2019)** made a study titled the force of worker enthusiasm, professed utility, and professed ease of operation on worker presentation of preferred civic sector human resources. "Employees designated from civic sector positions were consulted to investigate and scrutinize aspects that contribute to their recital level. In this case, the variables that are not dependent on anything are motivation, perceived benefit, and professed ease of use. The reliant variable is worker recital. The survey was spread to 201

respondents interviewed in the public sector. The results show that there is a optimistic and momentous connection between the performance of all sovereign variables and the reliant variable, employee performance.

**Yoon, C., & Choi, B. (2020)** highlighted in their investigation that although much research has been done on putting to use Self-Service Technology (SST), but petite is identified concerning the meaning of the circumstances to the operation of SST in terms of ease of use, safety, and usefulness. In this study, we proposed a context-dependent structure and delved the task of the structure in the exercise of SST. For empirical analysis, research models have been developed that combine context-sensitive variables with the professed utility and professed ease of use of the most commonly used machinery recognition representation variables in SST studies. On the whole 213, legitimate information was unruffled through the questionnaire and analyzed using positive aspect analysis and path analysis with structural equation modeling. The results showed that situational reliance prejudiced consumer attitudes along with perceived ease of use and perceived usefulness, and that situational dependence had a strong influence on intent to use. This inspection extends strategic insights for practitioners to facilitate SST adoption.

**Dehghanpouri, H., Soltani, Z. and Rostamzadeh, R. (2020)** evaluated through their study sheds light on Identify precursors to trust, privacy, and quality of service that affect customer satisfaction. In the context of self-service technology, you can contribute to the theory related framework of customer satisfaction. The findings have a practical impact on marketing managers and practitioners who make strategic plans and execute tools to improve the output or performance of self-service technology systems. In addition, customer satisfaction is associated with the success of self-service technology systems as a result of trust, privacy, and quality of service. This study provides new insights into Iran's taxpayer intent regarding self-service technology.

### **Research Methodology**

Quantitative and Qualitative Case Study methods have been put to use in the research article. Exploration of data also has been carried out with using specific statistical tools in SPSS and AMOS apart from describing the study qualitatively. Digital Experience of Consumers has been measured in terms of five point likert scale and each variable is adequately explained so as to have underpinning for research model of this work. Researcher has made an attempt to depict different aspects of Self Service Technology which give unique experiences to consumers in digital platform. Mutually first hand and

second hand information of data were used to accomplish the goals of research. Totally, 125 users of SST were interviewed at various locations in Chennai city. In this regard, well constructed questionnaire were distributed among the users of SST. After getting back the filled in questionnaire, data were processed statistically. Furthermore, purpose sampling technique was adopted in the research work as this is of a case study.

## Research Model

### One Sample t Test

One Sample t Test was applied to find whether or not is there any statistical difference between the mean score of the variables and hypothesized value. Three variables in connection with the study have been measured such as Professed Ease of Use, Professed Security and reliability. In order to find whether any significant difference witnessed between mean score of three variables and target value, the following hypotheses were framed:

*H<sub>1</sub>: Mean values of three variables such as Professed Ease of Use, Professed Security and Trust are significantly different with Target Value.*

**Table 1: Single Sample t Test for Self Service Technology and Digital Experience of Consumers**

	<b>t</b>	<b>df</b>	<b>Mean Difference</b>	<b>p values</b>
Professed Ease of Use	23.236	124	4.16000	p<.01*
Professed Security	-21.060	124	-4.21600	p<.01*
Trust	-26.081	124	-3.56000	p<.01*

\*significant at 1% level

From the above table, it is found that all the three values viz. Professed Ease of Use, Professed Security and reliability whose t values stood at 23.236, -21.060 and 26.081 respectively. In all the three cases, the mean scores are significantly different with the target value (15). Therefore, the formulated hypotheses i.e. “Mean values of three variables such as professed Ease of Use, professed Security and Trust are significantly different with Target Value” is accepted at 1% level of significance. In other words, it is understood by the fact that consumes really experiences SST in terms of professed Ease of Use, professed Security and Trust.

### Bi-variate Correlation

In order to find the relationship among three variables such as Professed Ease of Use, Professed Security and Trust, Bi-variate Correlation was used. Bi-variate Correlation helps to ascertain the close relationship in terms of its values. In order to find the



relationship among the three variables, the researcher has developed the following hypotheses

*H<sub>2</sub>: There are relationship witnessed among three variables such as Professed Ease of Use, Professed Security and Trust.*

**Table 2: Bi-variate Correlation for Self Service Technology and Digital Experience of Consumers**

		PEU	PS	TR
Professed Ease of Use	Pearson Correlation	1	.024	.177*
	p score		.791	.048
	N	125	125	125
Professed Security	Pearson Correlation	.024	1	.262**
	p score	.791		.003
	N	125	125	125
Trust	Pearson Correlation	.177*	.262**	1
	p score	.048	.003	
	N	125	125	125

\* Significant at the 0.05 level (2-tailed).

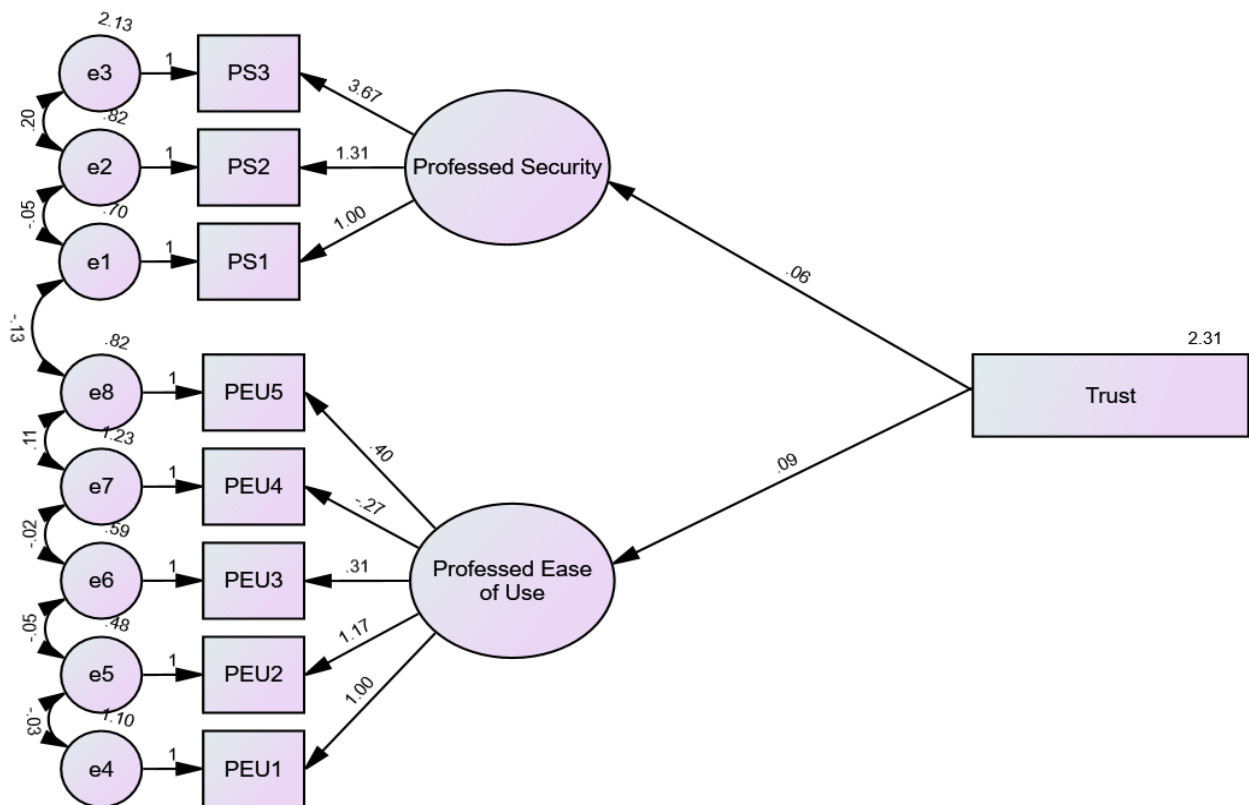
\*\*Significant at the 0.01 level (2-tailed).

From the above table, it is believed that Bi-variate correlation was applied to find whether or not any relationship witnessed among three variables Professed Ease of Use, Professed Security and Trust. Upon seeing the results through bi-variate correlation, the inference is drawn that positive correlation is witnessed between Professed Ease of Use and Trust where correlation value is .177 which is significantly different at 5% level of significance. Therefore, the formulated hypothesis i.e. “Professed Ease of Use and Trust are correlated with other” is accepted at 95% confidence level. However, Trust and Professed Security between which, significant relationship witnessed where correlation score is .262 which is significant at 1% level. Therefore, formulated hypothesis i.e. “Professed Security and Trust are correlated with other” is accepted at 99% confidence level. Finally, no correlation is witnessed between Professed Security and Professed Ease of Use where p value is greater than .05. Therefore, formulated hypothesis i.e. “Professed Ease of Use and Professed Security are not correlated with other” is accepted at 95% confidence level

### 3. Structural Equation Model

SEM was used to find the underlying relationship between Observed Variable and Unobserved Variables. In this research, there are two latent variables (Professed Ease of Use and Professed Security) while one observed variable (Trust). In order to prove the underlying relationship among the research model being described by three variables (inclusive of both latent constructs and manifest construct), the following hypothesis has been framed:

*H<sub>3</sub>: There exists underlying relationships between latent constructs (Professed Ease of Use and Professed Security) and Manifest Construct (Trust).*



The above figure helps to portray the underlying relationship among three important variables like Professed Ease of Use, Professed Security and Trust where Professed Ease of Use and Professed Security are latent constructs and have sub variables. Professed Ease of Use has five sub variables viz. Transaction is done promptly (PEU1), Availability of many options (PEU2), Simple to use (PEU3), All time services (PEU4) and Flexibility (PEU5). Likewise, Perceived Security is represented by three variables such as Improvised Technology, Round the clock security and Less possibility of malicious transactions. As a whole, p values are less than .05, results are significant and underlying relationships between Professed Ease of Use, Professed Security and Trust are proved to be true.

**Table 3: Model Fit Summary**

Label	CMIN/DF	RMSEA	GFI	AGFI	CFI	TLI	NFI	IFI
<i>Cut-off Value</i>	$\leq 5.00$	$\leq 0.080$	$\geq 0.95$	$\geq 0.90$	$\geq 0.90$	$\geq 0.90$	$\geq 0.950$	$\geq 0.950$
<i>Test Result</i>	4.272	.065	.952	.912	.915	.910	.954	.969

Estimates also corroborate whether there is underlying relationship between latent constructs and Manifest construct. The overall model is ideally fit due to the presence of test estimates which are within the prescribed limit of cut off values.

### Findings

- One sample t test was applied to find whether or not any significant difference witnessed between mean score of three variables and test value. In all the three cases, the mean scores are significantly different with the target value (15). Therefore, the formulated hypotheses i.e. “Mean values of three variables such as Professed Ease of Use, Professed Security and Trust are significantly different with Target Value” is accepted at 1% level of significance. In other words, it is understood by the fact that consumes really experiences SST in terms of Professed Ease of Use, Professed Security and Trust.
- In addition to this finding, another finding was made by using bi-variate correlation. Based on the result, it is found that positive correlation is witnessed between Professed Ease of Use and Trust where correlation value is .177 which is significantly different at 5% level of significance. Therefore, the formulated hypothesis i.e. “Professed Ease of Use and Trust are correlated with other” is accepted at 95% confidence level. However, Trust and Professed Security between which, significant relationship witnessed where correlation score is .262 which is significant at 1% level. Therefore, formulated hypothesis i.e. “Professed Security and Trust are correlated with other” is accepted at 99% confidence level. Finally, no correlation is witnessed between Professed Security and Professed Ease of Use where p value is greater than .05. Therefore, formulated hypothesis i.e. “Professed Ease of Use and Professed Security are not correlated with other” is accepted at 95% confidence level.
- Using Structural Equation Model, underlying connection between latent constructs and manifest construct have been proved. Based on the estimates of SEM, it is found that p values are less than .05, results are significant and underlying associations between Professed Ease of Use, Professed Security and Trust are proved to be true.

## Suggestions

After having seen the findings of the study, users of Self Service Technology are constantly rising due to Professed Ease of Use, Professed Security and Trust. Still people are reluctant to regularly use the Self Service Technology due to inadequate security measures. Exposure to risk is serious cause of concern due to which, some people do not resort to any transactions assisted by self service technology. The business houses and industry should use latest updated software in order to extend security to their customers. Similarly, any transactions through SST should be covered under legal framework. So that consumers will have better experience as and when they do anything via SST. Number of uses also should be increased as it may increase the users in the years to come. Experts those who design the software should simplify the process of using the SST thereby getting the consumers benefitted.

## Conclusion

People are accustomed to using self service technology. World is dominated by digital economy wherein consumers should adhere to Self Service Technology. Even government at the state and centre also suggest the paperless economy as it protects ecology and deforestation. With the emergence of latest technology, consumers avail the services without depending on others. Therefore, the solution is Self Service Technology. This paper has elaborated three variables close to Self Service Technology such as Professed Ease of Use, Professed Security and Trust. All the three elements signal a kind of unique digital experience to consumers.

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# Strategic Decision of Implementing E-Crm by Kotak Mahindra General Insurance Company for its Effective Business Operation and Business Growth

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## Abstract

There is no successful business without an effective relationship between the Company and Customers. We could see in recent years our direct involvement is getting diminished in terms of connecting with service providers. Whereas it's more of digital relationship we maintain, that is either through the computer or through telephone. Earlier when there was not much technology development and whenever there is a query or dispute, we physically go and meet the concerned executives to get it resolved. Most of the time our disputes would have been resolved only by the effective relationship, we had built it gradually over the years and there was always a personal touch. Whereas in the digital era it's more of only digital communication between the company and the customers. The challenge that the insurance industry faces or any other industry for that matter confronting to maintain the balance of advancing technology and how effective that we utilize to keep up with customers relationship as well the business growth. We will be studying the strategic decision of Kotak Mahindra General Insurance Company Ltd., of implementing E-CRM, to overcome the challenges it has faced in the market and how it backend and support its business growth.

Keywords: *E-CRM, Insurance, Kotak Mahindra, Strategic Decision*

## Introduction

Kotak Mahindra General Insurance Co. Ltd. is a Mumbai-based general insurance company. It sells non-life insurance such as auto, health, and home insurance, among other things. In April 2015, the Insurance Regulatory Development Authority of India (IRDAI) granted Kotak General Insurance a license to undertake a general insurance business in India.

In India, Kotak General Insurance offers a variety of general insurance plans, which are listed below:

- Car Insurance

- Two-Wheeler Insurance
- Health Insurance
- Home Insurance
- Fire Insurance
- Marine Insurance
- Liability Insurance
- Miscellaneous Insurance

In April 2015, Kotak General Insurance received the license to start the business and since then it has had a national footprint of 19 branches spread across India as of September 2020.

The Internet is becoming increasingly significant in business; many businesses see it as a way to cut customer service expenses, strengthen client relationships, and, most importantly, tailor marketing messages and enable mass customization. Companies are adopting E-CRM because it enhances customer loyalty and retention by boosting customer happiness, which is one of the goals of E-CRM. E-loyalty benefits online retailers in the long run since it lowers the cost of acquiring new customers while also increasing customer retention. The trend of the forthcoming Internet can be considered as the cornerstone of what we know as E-CRM today, along with the introduction of sales force automation (SFA), where electronic methods were utilized to acquire data and analyze client information.



Source: SPEC INDIA

### **There Are Three Steps in the Life Cycle of the E-CRM Process**

- Data collection: Information on customers' preferences via the website, email, and questionnaire, both actively (answer knowledge) and passively (surfing record).
- Data aggregation: Filter and analyze data to meet the needs of the company's customers.
- Customer interaction: The organization provides appropriate feedback to customers based on their needs.

- E-CRM is described as actions that use the Internet, web browsers, or other electronic touchpoints to manage client relationships. The goal is to provide communication and information on the correct topic, in the right amount, and at the right time to meet the individual demands of the consumer.

### **Strategy components**

Enterprises integrate their customer information, there are three E-CRM strategy components:

- Operational: Because of sharing information, the processes in business should make customer's needs as first and seamlessly implement. This avoids multiple times bother customers and redundant process.
- Analytical: Analysis helps the company maintain a long-term relationship with customers.
- Collaborative: Due to improved communication technology, different departments in the company implement (intraorganizational) or work with business partners (inter-organizational) more efficiently by sharing information. (Nenad Jukic et al., 2003).

### **Factors to be Considered Before Implementation of e- CRM**

- Organization Objectives
- Focus on All Business Aspects
- Define the Business Problem
- Establishing Proper Metrics
- Business Processes not Technology
- Implement Change
- Using Skilled Managers
- Choose the Right Vendors
- Ease of Usage

### **Implementation of e-CRM**

Several CRM software packages exist that can help companies in deploying CRM activities. Besides choosing one of these packages, companies can also choose to design



and build their solutions. To implement CRM effectively, one needs to consider the following factors:

- Create a customer-focused culture in the organization.
- Adopt customer-based managers to assess satisfaction.
- Develop an end-to-end process to serve customers.
- Recommend questions to be asked to help a customer solve a problem.
- Track all aspects of selling to customers, as well as prospects.

e- CRM solutions are more effective when they are integrated with the company's other information systems. For example, a transaction processing system (TPS) can analyze data in real-time and send it to the sales and finance departments to quickly and precisely recalculate inventory and financial status. Once this data is given back to the CRM software and services, customers may be unable to place an order because they believe an item is in stock when it is not.

## **Background**

Kotak Mahindra General Insurance Company Ltd. is a full subsidiary of India's renowned growing bank, Kotak Mahindra Bank Ltd. Kotak Mahindra General Insurance was established to service the growing non-life insurance segment in India. The Kotak Mahindra Group is one of the leading financial services conglomerates in India and received its banking license from the Reserve Bank of India (RBI) in February 2003.

The company aims to cater to a wide range of customer segments & geographies, offering an array of non-life insurance products like Motor, Health, etc.

As a practice, the company seeks to provide a differentiated value proposition through customized products & services leveraging state-of-the-art technology & digital infrastructure.

As of today, they have settled 1.5 lakhs of claims at the settlement of 98% with over 48 lakhs customers.

Since they are a new entrant to the market, the strategy and other preparation as to be more effective to play in the market competitively

## **Challenges**

Kotak General is not in the insurance league from the early stage they were the 29th entrant in the General Insurance Industry and having the label of Kotak Bank's subsidiary

it also carried the equal expectation in the market which is not easy as all the insurers played with different strategies and innovation. The distinct challenge it had carried compared to the other insurers was its expectation as already their bank proved well-being an effective banker. Now the actual battle is how to face the competition and come up with innovative solutions to build customers.

### **The Following Plots Found and Addressed**

- To combine all customer service methods under one roof by combining communication channels and service-providing channels.
- To implement measurable customer experience framework across the Contact Center, Online Portals, Emails, online Chats, social pages, direct Walk-ins, SMS, etc.
- To create claims HUB which means one point contact service for claim registration and claim settlement.
- The customer grievances management, where all the relative complaints countered and addressed timely.
- The insurance has a regulatory body called IRDAI (The Insurance Regulatory and Development Authority of India ) where the business operations should be aligned together.
- Creation of customer leads that are sourced through tele-calling, direct walk-in, posters, digital marketing, sales representatives, advertisements, etc
- To conduct CSATs and Quality audits to continuously evaluate service quality for improvement. Thus, enabling continuous learning and improving customer experience.
- To implement a CRM which had its learnings from the General Insurance industry and which required the least customization and lead time, and a reasonable license cost with less number of users initially. Thus, providing scalability and cost-effectiveness in the long run.

To ensure the efficiency of the service representatives and for faster delivery of responses, KGI was sure that it wanted a single system that could serve their needs. As this would restrict access to Policy Admin System and avoid users navigating to multiple systems to provide resolution.

## Proposed Solution

KGI then came up with the solution of implementing E-CRM after analyzing the importance and the need for it. Then they had approached one of the leading software companies Talisma. They worked together to understand the actual need of the insurer along with how efficiently that could also enable business growth.

The following solutions were proposed in their E-CRM system.

- **Multi-Channel Capabilities** – Talisma has enabled a multi-channel capability at KGI covering Email, Phone, Chat, and SMS for successfully managing high volumes of inquiries received by KGI daily.
- **360-Degree View of Customer** – One view of Customer for an Agent to handle different types of requests and queries by displaying data from various KGI systems.
- **Service Request Workflows** – Talisma has provided workflows to handle simple to complex service requests such as Contact details change, Claim intimation, etc. with smooth integration with the KGI core system.
- **IGMS Integration** – Talisma has implemented IGMS integration for the smooth flow of new complaints as well as complaint status updates between Talisma and IRDA.
- **Quality Assessment** – Critical for measuring quality based on parameters specific to the channels such as Chat/Email/Phone used by Agents. It provides a process to maintain systematic review for Agents/Supervisors.
- **Website Queries/Feedback** – All queries/feedback received by KGI on its website are created and resolved in Talisma Digital Platform.
- **Knowledge Base Management** – Provides a repository of data required by Agent/Supervisor with real-time access to do their job much more efficiently.
- **Reports**
  - Detailed reports are provided to analyze, identify, and improve processes.
  - Specific reports are available that uncover patterns that are otherwise tough to see such as performance reports for each platform, channel, and the blended Agents' data.
  - Data points are presented on a dashboard that is easy to use and can help improve customer experience and consistency of service delivery across channels. Thus, highlighting shortcomings, service mismatch, improving staff training, and promoting better interactions.

## **Results of Implementing e-CRM**

- Tracking resolutions to customers' needs has become simpler. This has helped KGI meet and exceed customer expectations.
- Automation and real-time sync of service requests with KGI's core system have helped multiply productivity, maintain quality, and improve efficiency.
- 360-degree customer view provides instant access to all the requisite customer information to enable "first time right" services improving KGI's reliability amongst customers.
- Talisma Digital Platform has helped KGI automate customer interaction management across all touchpoints and all modes of communication.
- Identifying needs more effectively by understanding specific customer requirements as products are mapped to individual customers in KGI's implementation of Talisma Digital Platform.
- Workflow-based and Time-bound assignment of interactions to multiple departments has helped KGI improve its turnaround time drastically.
- By tracking Claim registrations in Talisma Digital Platform, which is directly integrated with KGI's Core Policy Admin System, KGI can offer the best services to its customers, when they need them

## **KGI'S Key Results After Utilizing Talisma**

Enhanced customer satisfaction, ensuring KGI's positive market reputation continues to flourish.

- Expanded value from existing KGI clients, as well as cost savings associated with maintaining and servicing their needs.
- Enhancing KGI's overall efficiency and lowering total service costs.
- Advanced analysis of service trends.
- Standardization was achieved across all touchpoints.
- Data availability for numerous marketing campaigns is improved.
- The quality assessment module provides a transparent picture of agent performance.

## **Recommendations**

The technology is growing at the lightning phase and in parallel, the insurers have to balance their needs to meet their customer's requirements accordingly. The

implementation of E-CRM is not just a one-time task. The Software is to be modified day today as there is a new requirement in the market and whenever there is an alternative method found to be more effective. Many factors play a part in ensuring that the implementation of any level of E-CRM is successful. One obvious way it could be measured is by the ability of the system to add value to the existing business. Four suggested implementation steps affect the viability of a project like Developing customer-centric strategies, Redesigning workflow management systems, Re-engineering work processes, and Supporting with the right technologies. Every Insurers E-CRM differs as per their company policies and strategies, and they will be no similar to the other insurers. The basic objective of E-CRM to be always in check should be how effective and how quickly we respond and address positively to customer's needs.

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## Abbreviation

KGI: Kotak Mahindra General Insurance Company Ltd.

## **Revenue Management in the Indian Hotel Industry: Will Traditional Marketing Strategies work?**

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### **Abstract**

India's Hotel industry performed well during the first decade of 2000s compared to second decade. Among the many categorizations of hotels, the star ratings are used to assess performance vis-à-vis competitors. Annual hotel rooms demand registered 5.3% increase during 2010-19 compared to 10.8% during 2000-2009. In terms of supply, growth was 4.1% and 10.3% during decade 2000 and decade 2010 respectively (India Hotels Outlook: Impact of COVID-19, 2020). The Indian hotel industry believed that this demand and supply gap would reflect in the operating performance of Indian hotel industry. Industry observers were however wondering as to (a) which category of hotels witnessing with high, moderate and low performance? (b) How can these hotels in the category maximize their revenue and (c) Whether traditional marketing strategies would help them in better performance.

### **Introduction**

The hotel industry as a hospitality subsector has witnessed a strong growth and emerged as significant revenue contributor to India's exchequer. The highly fragmented Indian hotel industry has both the organized and unorganized players in the market. Kerala, Maharashtra, Gujarat, Rajasthan, and Tamil Nadu are the five leading states housing maximum percentage of hotels in India. The key markets representing 13 Indian cities accounted 66 per cent of total chain-owned / managed / affiliated inventory (Horwath HTL Report, 2020). The total rooms under branded hotels in India is amounted to 1,44,047 at the rate of 3.3 per cent growth in the fiscal year 2020-21 compared to 2019-20. However, it is noted that this per cent is relatively low compared to the past years and low growth is highly attributes the Covid19 pandemic. Hotel industry is classified using several criteria like (a) star level – two-star, three-star, four- star, five-star and five-star deluxe; (b) location viz., resorts, airport models, hotels; (c) Clientele – business-commercial hotels, transient hotels, boutique hotels, residential hotels, bed & breakfast hotels, casino hotels, suite hotels, etc.; (d) level of services - Upmarket / Luxury / World-Class Service Hotels, Mid-

Market / Mid-Range Service Hotels, and Budget / Economy Hotel.

As per IBEF's Indian Hotel industry 2021 report, industry market size (including the domestic, in and out bounding) is estimated with US\$32 billion during the financial year 2020 and is projected to be US\$52 billion by financial year 2027. The total inventory of all-India chain-affiliated indicated the compound annual growth rate (CAGR) of 6.7% during FY2015-21 compared to 15.0% and 7.9% during FY2008-15 and FY2001-08. During FY2015-21, the budget/economy category of hotels witnessed higher growth (9.1%) than the industry average (6.7%), whereas other category like Luxury (6.3%), Upper Upscale (3%), Upscale (6.1%), and Upper Midscale (5.8%) recorded lower than the industry average (Horwath HTL Report).

The hotels have increased their supply (in terms of number of hotels and rooms) through various models like owned hotels, lease & license, joint venture, management contracts and franchising. The management of these hotels have managed their supply and demand across the categories which was lop-sided towards four-star, five star and five-star deluxe hotels.

### **Indian Hotel Industry - Drivers of Growth**

The hospitality industry in India consists of travel, tourism, hotel, and the restaurant sub sector. Among these subsectors, hotels play an important role as they provide the accommodation and food for the traveller. The hotels sector consists of two major players – the unorganised independent hotels and the organised branded hotel chains. The unorganised independent hotels dominate the hotel sector. However, in the past decade, the trend has been to be organised through branding in this category of hotels. Among the branded hotel chains, recently several of them have also been listed in the stock markets. The keen competition in the branded hotel chains is between the international brands and the domestic brands. In terms of price, hotels typically fall under Upscale, Upper Midscale, Midscale and Economy categories that serve consumers with different levels of purchasing power. More than 2/3<sup>rd</sup> of the total hotel rooms is in the top 10 cities in India namely Mumbai, Delhi NCR, Bengaluru, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad, Jaipur and Goa. Accor, Carlson, Hyatt, Intercontinental Hotels Group, ITC Hotels, Lemon Tree Hotels, Marriott, Oberoi Group, Sarovar and Taj represent the top 10 hotel chains in India. These chains represent a mix of national and international brands with different arrangements. These arrangements for managing hotels include owner-

operated hotels, hotels under management contracts and franchise. These represents broadly two major models of hotel operations namely the asset heavy and the asset light models. Management contracts and Franchise represent asset light models as in this case the land and building owner differs from the hotel brand and operations ownership. In the asset light model, chain affiliation is added or withdrawn depending on the nature of profitability of the arrangement for both the parties i.e. the land/ building owner and the brand/operations owner. Among the owner-operated hotels, Taj is a leader. Among the rooms added up to the decade until 2017, international brands namely Marriott, Starwood, Accor, Carlson, Hyatt, Hilton and Intercontinental Hotels Group were the ones that increased the maximum room inventory.

The past decade has seen uneven growth in the hotels market. While the growth in the top metros has been muted, the tier two cities in India have seen a major increase in supply and demand. Similarly, hotels in the mid segment have seen a greater increase in supply and demand. Hotels in India cater to various segments like the leisure and business travel, meetings, conferences and exhibitions, Weddings and social visits, diplomatic travel, airlines/airline crew and transit travel. Thus, this sector targets both the domestic and foreign tourists. Foreign tourist arrivals therefore have a significant impact on the hotel industry. The rise of the middle class and the young population in India is a great boon for the hotel industry as domestic travel and tourism is dependent on this target segment as a significant source of disposable income and purchasing power. The Indian hotel industry has not been accorded the industry status in spite of the huge contribution they make to the economy through their labour-intensive operations. Finances and regulations are key bottleneck for new players to establish hotels in India due to the lack of the industry status. The industry constraints include difficulty in obtaining land, getting regulatory approvals, securing bank financing, availability of equity capital and work force shortages. Hotels are a capital-intensive industry and therefore investing in them is not possible in a big way by any entrepreneur. Therefore, this industry witnesses typically sees investment from the existing players or from business conglomerates. The three key revenue sources in the hotel industry are Rooms, Food / Beverages and Banquets/Conferences. Among these, rooms contribute to about 50% of the total revenues.

### **Revenue Management and Operational Metrics in Hotel Industry**

Yield or Revenue Management helps hotel managements to allocate the rooms at a



reasonable price to maximize their revenue. It involves apportioning rooms to different customer segments at the right price and right time. This helps in optimizing room inventory. Depending on peak demand and low-occupancy periods, rooms are offered to different consumer segments. Yield Management is assessed as follows:

Revenue realised is the product of actual capacity of room utilised and average actual price per room (“actual revenue receipts”) from the utilisation of available rooms. Revenue potential is a product of actual hotel rooms supply and maximum price charged per room. The top management of hotel will believe the revenue management strategies as effective and efficient when they look that there is significant percentage change in its performance metrics.

The traditional and non-traditional industries follow various practices to measure and manage their revenue. The traditional industries especially services industries like hotels, air-lines and rental car industries follow a similar metrics for the revenue management due to their common characteristics like perishability nature of the service offerings, variability in its demand, etc. The hotel industry follows three key metrics to measure the performance and for the revenue management or yield management viz., (i) average daily rate (ADR) or average price; (ii) occupancy rate or average occupancy ratio (AOR); and (iii) average revenue per room available (REVPAR). The brief definitions for the three measures are as follows:

*ADR is measured with total revenue from room rentals divided by total number of room nights sold.*

*AOR is calculated total number of rooms sold divided by the total number of room available.*

*REVPAR is calculated by multiplying ADR and AOR.*

### **Concerns with Industry Observers and way forward**

Among the many categorizations of hotels, the star ratings are used to assess performance vis-à-vis competitors. Annual hotel rooms demand registered 5.3% increase during 2010-19 compared to 10.8% during 2000-2009. In terms of supply, growth was 4.1% and 10.3% during decade 2000 and decade 2010 respectively (India Hotels Outlook: Impact of COVID-19, 2020). The all-India hotels chain-affiliated room inventory by category indicates 7.2% of 2\* hotels to the total 24000 rooms in FY2001 and has increased to 17% of 144047 rooms. During the same period, 3-star and 4-star category hotels room inventory has gone up to

25% each from 15.5% and 21.5% respectively. However, the reduction percentage witnessed 5-star and 6-star deluxe hotels. On the demand side, there was decline in demand for rooms with 4-star, 5-star and 5-star deluxe category compared to 2-star and 3-star hotels. The room demand for 2-star and 3-star has increase from 3% and 17% to 17% and 25% during 2011-12 and 2020-21, whereas the 4-star, 5-star and 6-star deluxe hotels have faced the reduction in hotel demand between 7% and 9% during the same period.

All-India hotel data related to total rooms available by star category (Exhibit 1) exhibits that the 2-star or budget and economy hotel has recorded 9.6 times increase in 2020-21 over 2011-12 which very impressive and significantly high compared to that of 3-star (2.3 times), 4-star (1.2 times), 5-star (1.5 times) and 5-star deluxe (1 time). On the demand side, the rooms occupied (Exhibit 2), 2-star hotel have registered 8.8 times rise in 2020-21 compared to 2011-12, whereas other star hotels recorded similar growth witnessed with total rooms availability. The average price and maximum price (Exhibit 3 and Exhibit 4) have increased just by 1 time only during the period between 2011-12 and 2019-20 except 2-star hotels (2 time), however there is a sharp reduction in the average price during the year 2020-21 due to Covid19 pandemic. During this period, the consumer price index (CPI) has recorded high level of 10.4 per cent in 2012-13 and with lower rate of 3 per cent in 2017-18. There is no specific benchmark for measuring the performance through metrics, however the rule-of-thumb for average revenue is that a hotel room must earn \$1 per night for every \$1000 to take decision on invest or lease (McDonald, 2011) and average revenue per room must be from 3.5 times to 4.5 times annual room revenue (Jan deRoos and Stephen Rushmore, 2011).

The Indian hotel industry believed that this demand and supply gap would reflect in the operating performance of Indian hotel industry. Industry observers were however wondering as to (a) which category of hotels witnessing with high, moderate and low performance? (b) how can these hotels in the category maximize their revenue; and (c) Whether traditional marketing strategies would help them in better performance?

### **Proposed Solution**

Question (a): (a) which category of hotels witnessing with high, moderate and low performance?

### Average Occupancy Ratio

	Low		Moderate		High					
Star Category	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	2019/20	2020/21
Five-star Deluxe	59.8%	60.1%	59.9%	61.7%	64.3%	65.0%	66.5%	66.8%	66.5%	31.7%
Five-star	59.1%	55.4%	55.7%	57.2%	61.2%	64.1%	65.9%	65.8%	67.2%	32.7%
Four-star	60.0%	57.9%	59.1%	61.2%	64.2%	66.0%	66.9%	66.9%	66.8%	37.8%
Three-star	56.9%	56.8%	57.9%	59.8%	64.8%	65.2%	65.1%	67.3%	64.6%	35.0%
Two-star	64.8%	59.0%	61.0%	57.7%	60.4%	62.7%	59.1%	61.5%	60.4%	36.0%

Based on the industry average, it is concluded that the performance of 5-star deluxe and 4-star category hotels is high in terms of average occupancy compared to 2-star category, 3-star and 5-star category hotels.

### Average Daily Rate

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	2019/20	2020/21
Five-star Deluxe	9,189	8,982	8,727	8,815	8,881	10,099	10,260	10,660	10,679	8142
Five-star	6,135	5,881	5,720	5,559	5,484	6,051	6,088	6,280	6,451	5,119
Four-star	4,905	4,691	4,474	4,361	4,424	4,505	4,635	4,713	4,827	3,639
Three-star	3,354	3,252	3,083	3,039	3,155	3,016	3,200	3,371	3,474	2,771
Two-star	1,714	1,849	2,063	2,063	2,122	2,049	2,245	2,524	2,589	1,972

The average daily rate exhibits the 5-star, 4-star and three category hotels are with low performance compared to 5-star deluxe and 2-star hotels.

### Revenue Per Available Room (REVPAR)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Five-star Deluxe	5495	5398	5227	5439	5710	6564	6823	7121	7102	2581
Five-star	3626	3258	3186	3180	3356	3879	4012	4132	4335	1674
Four-star	2943	2716	2644	2669	2840	2973	3101	3153	3224	1376
Three-star	1908	1847	1785	1817	2044	1966	2083	2269	2244	970
Two-star	1111	1091	1258	1190	1282	1285	1327	1552	1564	710

(b) How can these hotels in the category maximize their revenue?

Actual Revenue	Two-star	Three-star	Four-star	Five-star	Five-star Deluxe
2011/12	2809246	28961790	87588585	89264250	67180779
2012/13	3084132	31339524	90367424	89667607	73778148
2013/14	4583986	38648488	98181930	92835600	50241339
2014/15	4614931	43448583	125317696	81161400	40416775

<b>2015/16</b>	5578738	52249955	127105944	99633312	41420984
<b>2016/17</b>	9036090	54622776	153133960	88320396	66522113
<b>2017/18</b>	23709445	69366400	129562155	92330608	85968540
<b>2018/19</b>	37468780	70494352	110166375	120682760	99713640
<b>2019/20</b>	37496487	75712356	111025827	152295208	86126135
<b>2020/21</b>	17282608	34507263	49141056	60521937	31599102

<b>Potential Revenue</b>					
Year	2*	3*	4*	5*	5* Deluxe
<b>2011/12</b>	4151587	34298220	106606290	107015250	86935101
<b>2012/13</b>	4450224	37295190	110883584	108268947	95972376
<b>2013/14</b>	6403804	46395736	121553355	112636200	65796753
<b>2014/15</b>	6447034	52284129	155921536	98973400	52805445
<b>2015/16</b>	7731889	62484653	157704459	121798272	54023112
<b>2016/17</b>	12647880	65815374	189335440	106127516	84320187
<b>2017/18</b>	32358904	82762786	159332100	110833128	108608598
<b>2018/19</b>	49626835	83417968	135060750	144127500	124988148
<b>2019/20</b>	49358064	89181048	135521892	181096968	107917765
<b>2020/21</b>	24460324	42203217	63522816	74945997	42085564

### Revenue Management

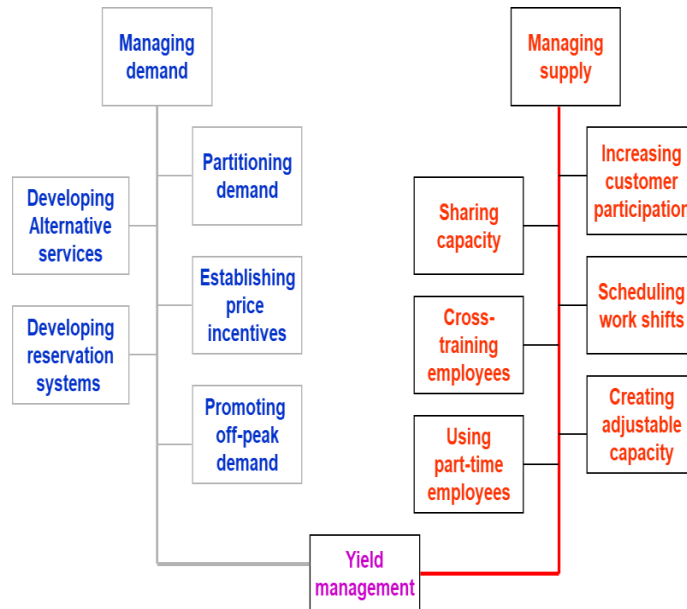
Year	2*	3*	4*	5*	5* Deluxe
<b>2011/12</b>	0.68	0.84	0.82	0.83	0.77
<b>2012/13</b>	0.69	0.84	0.81	0.83	0.77
<b>2013/14</b>	0.72	0.83	0.81	0.82	0.76
<b>2014/15</b>	0.72	0.83	0.80	0.82	0.77
<b>2015/16</b>	0.72	0.84	0.81	0.82	0.77
<b>2016/17</b>	0.71	0.83	0.81	0.83	0.79
<b>2017/18</b>	0.73	0.84	0.81	0.83	0.79
<b>2018/19</b>	0.76	0.85	0.82	0.84	0.80
<b>2019/20</b>	0.76	0.85	0.82	0.84	0.80
<b>2020/21</b>	0.71	0.82	0.77	0.81	0.75

(c) Whether traditional marketing strategies would help them in better performance?

The traditional Marketing Strategies – Produce, Price, Place and Promotion alone could

not maximize the revenue for the hotel industry by category especially 2star and 5-star category. Non-traditional marketing programs – People, Physical Evidence and Process to be taken intoaccount for the revenue management practices of the hotels.

### Revenue Management with 7Ps of Services Marketing



### Recommendation

- A. Performance Metrics (a) ADR; (b) AOR; and (REVPAR) has to be simultaneously for the revenue management. In order to maximize revenue, the hotel industry has to adopt the controlling and utilize optimally the available room.
- B. For the revenue management, it is not good strategy by applying only traditional marketing programs – 4Ps. The hotel industry can effectively and efficiently utilize its human resources (People), Physical Evidence and Process.

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Exhibit 1. Total Rooms available by hotel category

Year	Hotels Category					Rooms Available
	2*	3*	4*	5*	5* Deluxe	
2011-12	2529	15176	29762	24619	12225	84313
2012-13	2828	16966	33272	27522	13667	94255
2013-14	3642	21652	37132	29139	9612	101177
2014-15	3877	23908	46955	25524	7431	107695
2015-16	4352	25556	44752	29686	7254	111600
2016-17	7034	27778	51503	22771	10134	119219
2017-18	17871	33298	41784	23013	12599	128565
2018-19	24138	31073	34940	29206	14003	133359
2019-20	23978	33736	34433	35130	12128	139406
2020-21	24345	35579	35724	36156	12244	144047

Source: 2021 Indian Hospitality Trends &amp; Opportunities 2021

Note: Hotelivate conducts survey with 13 major hotel markets in India and presents the presents the Indian hotel industry performance by star category.

Exhibit 2. Rooms Occupied by hotel category

Year	Room Occupied				
	2*	3*	4*	5*	5* Deluxe
2011-12	1639	8635	17857	14550	7311
2012-13	1668	9637	19264	15247	8214
2013-14	2222	12536	21945	16230	5757
2014-15	2237	14297	28736	14600	4585
2015-16	2629	16561	28731	18168	4664
2016-17	4410	18111	33992	14596	6587
2017-18	10561	21677	27953	15166	8379
2018-19	14845	20912	23375	19217	9354
2019-20	14483	21794	23001	23608	8065
2020-21	8764	12453	13504	11823	3881

Source: 2021 Indian Hospitality  
Trends & Opportunities 2021;  
Authors Calculation

Exhibit 3. Average Price per room by hotel category

Year	2*	3*	4*	5*	5* Deluxe
2011-12	1,714	3,354	4,905	6,135	9,189
2012-13	1,849	3,252	4,691	5,881	8,982
2013-14	2,063	3,083	4,474	5,720	8,727
2014-15	2,063	3,039	4,361	5,559	8,815
2015-16	2,122	3,155	4,424	5,484	8,881
2016-17	2,049	3,016	4,505	6,051	10,099
2017-18	2,245	3,200	4,635	6,088	10,260
2018-19	2,524	3,371	4,713	6,280	10,660
2019-20	2,589	3,474	4,827	6,451	10,679
2020-21	1,972	2,771	3,639	5,119	8,142

Source: 2021 Indian Hospitality Trends & Opportunities 2021

Exhibit 4. Maximum Price per room by hotel category

Year	2*	3*	4*	5*	5* Deluxe
<b>2011/12</b>	2533	3972	5970	7355	11891
<b>2012/13</b>	2668	3870	5756	7101	11684
<b>2013/14</b>	2882	3701	5539	6940	11429
<b>2014/15</b>	2882	3657	5426	6779	11517
<b>2015/16</b>	2941	3773	5489	6704	11583
<b>2016/17</b>	2868	3634	5570	7271	12801
<b>2017/18</b>	3064	3818	5700	7308	12962
<b>2018/19*</b>	3343	3989	5778	7500	13362
<b>2019/20</b>	3408	4092	5892	7671	13381
<b>2020/21</b>	2791	3389	4704	6339	10844

Source: 2021 Indian Hospitality Trends & Opportunities 2021 Authors Calculation



## A Creative Lead Generation Activity for Insurance Services-A Case Study Approach

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### Abstract

The case focuses on assessing the marketing strategies with a private life insurance company. The case examines creative strategies to enhance the sales & marketability of the insurance company with the impact of covid-19 pandemic which eventually drives towards the customer satisfaction. Today many insurance companies looks various challenges due to increased operational cost, competition, controlling pressures and poor technology infrastructure. Even though pressure exist, many insurance services, the players in the market must create a sustainable, well developed infrastructure facilities to face the upcoming challenges in the market.

By considering all the listed problems surrounding the case would be made an effort to study all the factors that direct towards the effective marketing strategies of the firm. Hence, this case presents a marketing strategy that is taken up by insurance company. The strategy focused by the company is especially of social, cultural and fitment of marketing channels with in the framed structure to compete with the other organizations.

**Keywords:** *Insurance, Channels of distribution, Strategies for Marketing, Employee engagement, Covid-19 Pandemic.*

### Introduction

A leading Private insurance service company was dealing with distribution channel problem due to huge competition. The company was unable to tap potential customers in the market, Since, already customers are insured, it is quite difficult with the customers to get again insured and lot of awareness is lacking among customers to get insured again. In January 2020, The Branch Manager of the insurance company introduced lot of changes in the company to resolve the problems faced by the company. The strategies were designed and framed by the manger to tap the potential customers, keeping in mind Covid-19 impact.

Within in the framed strategy manager has taken several actions to optimize

resources, retention of employee's rate. Manager decided to relocating the office to attract the customer and also with cost effective location. Smartly the manager has designed attractive marketing plans to promote sales of the products, which in turn increase productivity and efficiency considering the cost cutting point. Managers designed strategy were implemented and the ability of the firm is monitored according to the market changes.

### **Case Background**

The main challenge is selling the life insurance, while selling the insurance the details of the product may be clearly communicated to the customers, about the benefits in the reality- death insurance coverage with the impact of Covid-19. Also, most of the customer never utilize the insurance money what they have paid, these are all some of the negative motivators, difficult to convince the customers to invest money.

Segregation of the policy based on the premium amount, if in case high value policies, customers are in need to complete certain authentication screening procedure like basic health check- up along with the application form process. This procedures may demotivate customers to get connected. Still these negative segment exist in the market among customers.

### **Key ingredients**

From the past, there exist history written in *Manusmrithi*, *Dharmasastra* and *Arthasastra*. Which tells us about the pooling of resources that could be re- distributed in times of calamities such as fire, floods, epidemics and famine.

### **Problems**

According to the newly framed strategy, Organizations are facing lot of Problems. the changes caused enormous tension within the office. Existing employees to be retained and in the minds of the employee, orientation is required to sell the products and with the added advantages like Covid-19 insurance coverage. Employees need to be motivated and sustainability of talent retention to be practiced. Finally, total organization are not able to match up the strategy framed, lot of stress among employees increased due to increased work pressure.

Learning and developing the new skills and adapting process orientation was proving difficult with a subsequent impact on their morale. The branch manager outsourced the

exercise of employee engagement, customer lead generation and sales of the product to a private event management company.

The event management company was given the objective of doing a sales promotion campaign to boost the sales and engage the existing employees. Budget allocated for this programme is about Rs.20,000. In line with promotional and marketing goals, the event managers had a brain storming session with the branch manager. Criteria like employee engagement is also done as a brainstorming session for employees.

This event is planned on the New Year Celebration, the event managers hired a team (5- MBA students) from a top class B School in Tamilnadu. They reached to the new office location and gave a greeting card, chocolate, rose and a new year calendar (gift) and collected their business cards for a lucky draw contest.

### **Proposed Solutions**

The future of India's insurance sector looks bright. The country has a favorable demographic, growing awareness, investment friendly government which is constantly working towards framing policies that can attract investment, customer-centric products, and practices that give businesses the best possible environment to grow.

Employees felt a sense of security and ready to work with extra energy. Through this event many leads were developed and within short span of time, they are able to reach good numbers nearly 1000 leads through their marketing team. The insurance company was able to convert the nearly 300 leads to clients. Finally, they sold products fixed for the month to reach the target.

### **Recommendations**

Insurance company followed a sales strategy among the market potentials, also various factors like demographic. More awareness is required for investment friendly government, constantly working towards customer-centric products, and practices that give businesses possible solutions. Also, more advertisement strategies done by life insurers. Pushed the sales to 3.2% in 2020-2021. Furthermore, life insurance is projected to comprise 4.8% of total savings by the end of this 2022.

### **Points for Discussion**

1. What are the distribution channels for an Insurance industry? Suggest a suitable distribution channel for the company. Suggest few marketing strategies to be followed

with competitors?

2. What are the distribution channels for an Insurance industry? Suggest a suitable distribution channel for the company.
3. Suggest few marketing strategies that can be used by the company to sustain the sales for the forth coming months after this Covid -19 impact?.
4. Suggest the ways of developing relationships with the existing clients.
5. Discuss on the drivers of employee engagement and suggest suitable interventions for the same.

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**Exhibit 1**



**Exhibit 2**

**Exhibit 1 & 2:** Lead generation cum lucky draw contest - Who is the lucky neighbor? As a good will, the girl (student) in the photograph greets the neighborhood



**Exhibit 3**

**Exhibit 3 :** Stage set ready for the event - new office premises being decorated for New year& Christmas-Eve celebrations



**Exhibit 4**

**Exhibit 4 :** Employee engagement activity- Employees children cheering up

## **Market expansion and increase the product offering to enable growth of a training company both vertical and horizontally**

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### **Abstract**

This case study analyzes the growth strategy of an IT training business of a single entity a well-known reputed brand in the education field. How well the training brand be positioned to beat the competition, strategies to strengthen its offerings and so on. It also explores the opportunities of creating services based on the need. Market expansion as a growth strategy which involves offering your existing product to new market. The goals associated with the expansion plan geographically and so forth on.

### **Introduction**

India being the largest market in the world for education and the private education market share was worth \$40 Bn (2008) and expected to touch \$68 Bn in 2010. Education is a major middle class expenditure and the average middle class spends 8.6% of their income for education.

SRM Learning Tree Pvt. Ltd., SRMLT) the company of the new age economy provides IT training in cutting-edge technologies, Skill Development, Competitive entrance Coaching and HR Consultancy services. Quality is remembered and practiced at SRM and the company aims to lead the knowledge millennium by technology excellence.

SRMLT started in the year 2003, to consolidate the entire business operations from a single product offering (IT Training), and also having a thin presence in Tamilnadu and South India through 1-2 operating centres in Kerala and Karnataka. At this stage, the company wanted to scale its business operations to have a multifold growth from the training market.

Hence the business case has been actively pursued by the management to think of available opportunities to leverage the business to offer multiple products and also to expand geographically in a phased manner.

## **Background**

SRMLT with the background of SRM Group Company offered 10+ courses in IT / Computer training through its brand SRM Infotech which operated around 23 training centres / locations across three states – TN, Kerala and Karnataka. The courses offered are classified into lower end & Hi-end programs consisting of Ms-Office, C, C++, Java, DTP etc..

The company has also offered franchisee opportunity for few centres besides operating on its own at 2-3 locations.

## **Problem**

SRMLT with the background of SRM, must grow steadily on all front (Revenue, Expansion and Multi product offering). Currently at this stage SRMLT as explained in the background with a thin employee size of less than 25 employees both at corporate and its own locations has to meet the challenge of scaling up the business operations.

## **Opportunity for Growth**

As per the Industry survey by Nasscom and experts the IT software services market is expected to grow and its estimates suggest that the supply of skilled IT manpower may fall short of requirements. This has become a life line for the people at SRMLT to take it actively to find a workable solution for the company.

## **Proposed Solutions**

There are several proposal, which has been actively pursued and implemented

- 1) Increase the course offering in the IT training to bring more valuable high-end licensed software, hardware and networking programs
- 2) Also offere programs to Schools, Colleges and Corporate – a separate training product was created namely FuturGen – Schools, C2Ci – Colleges, Corporate – Include short customized employee training and Govt. Proposals.
- 3) A new edge HR consulting cum placement division is floated to identify the man power requirements for pass out students and also to bring lateral man power requirements of mid to senior level to make it a revenue model – the division is named as SRM Technokrat

- 4) Based on the market survey there exist an opportunity for Spoken English and Skill development training, as there are no organized players in the market, it has floated a new division as SRM SpeakEng. The courses offered were initially offered to all its existing IT training centres and later offered as combo to all new centres.
- 5) Ventured into expanding the market for its geographical spread, crafted a robust proposal for franchise expansion into unit franchise and Master franchise may also be called as State license holder.
- 6) Test Prep is a new training/ coaching model for students to get into their dream college / higher educational institution through a formalized coaching for Engg., Medical, CA entrance programmes. We have carefully analyzed the market scenario and brought in both online learning/practice through portal and Instructor-led coaching on the training centre model.

### **Success Metric #1**

Based on the proposal, the company constituted an expert panel consisting of technical faculty members, members from the academia and industry to scale up the offerings. As per the recommendations, started offering more programs and also aligned programs on lower-end courses, high-end courses and long term career programs, which were several combinations of job-oriented career programs. Now the success story of SRMLT is offering close to 40 courses for all the type of customers – Schools, Colleges, Unemployed and Corporates.

### **Success Metric #2**

A robust product packaging is being considered and offered to the students of Schools and Colleges as a long term institutional tie-up programs which will be executed at the institution and also suitable placement support will be provided. Similarly Govt. training schemes and projects were taken up for computer literacy program at district level.

Also participated in Government tenders for training proposals and a new strategic business unit is given shape to execute Corporate and Government orders.

### **Success Metric #3**

After the post slow down of IT industry, surveys indicated that there is gap between training and placements, and there is huge demand for trained manpower at all



levels. SRMLT started its own placement division catering to their existing student base and also experienced manpower placements. Campus interviews were arranged by getting good opportunities from leading corporates for the Institutional tie-up students group.

Experienced manpower placements were happening and company planned to start its own Job portal to get the student & professional's data bank.

#### **Success Metric #4**

Based on the market survey SRMLT floated a new division for Spoken English and Communication skills training program with courses at various levels such as basic, intermediate and advanced level of fluency suitable for employment in leading BPO and personality development, soft skill courses. Initially it was offered to all the existing training centres and later on proposed as a combo offering includes (IT & Spoken English training at all its existing and new centres).

#### **Success Metric #5**

Considering the geographical spread and venturing into new markets, SRMLT made a survey of key locations where the training centres to be started. In the initial phase it has been decided to consolidate the training centres and spread across South India, and made a good attempt to become a 100+ training centre organization.

In the subsequent level, company created a proposal for state level regional training centre by appoint Master Business Associate (MBA) and other locations at Unit franchise level known as Business Associate (BA). SRMLT has made good this opportunity by going on a mega expansion drive to recruit franchisees at an optimum investment and higher revenue model and set up training centres to become operational in 15 states across the Country. The proposal is also rolled out to few overseas countries and appointed franchisees in Malaysia, Srilanka, Nepal and Oman.

#### **Success Metric #6**

The Test Prep market was flourishing like never before and estimated Rs.10,000 Crore annually. The strategy enabled the Company to propose its coaching programs to all the Indian schools in gulf countries. On the outcome the first venture happened in overseas gulf market in Oman where there are many Indian Public Schools with Indian population taking up entrance exams for joining their dream college in India. The division was known

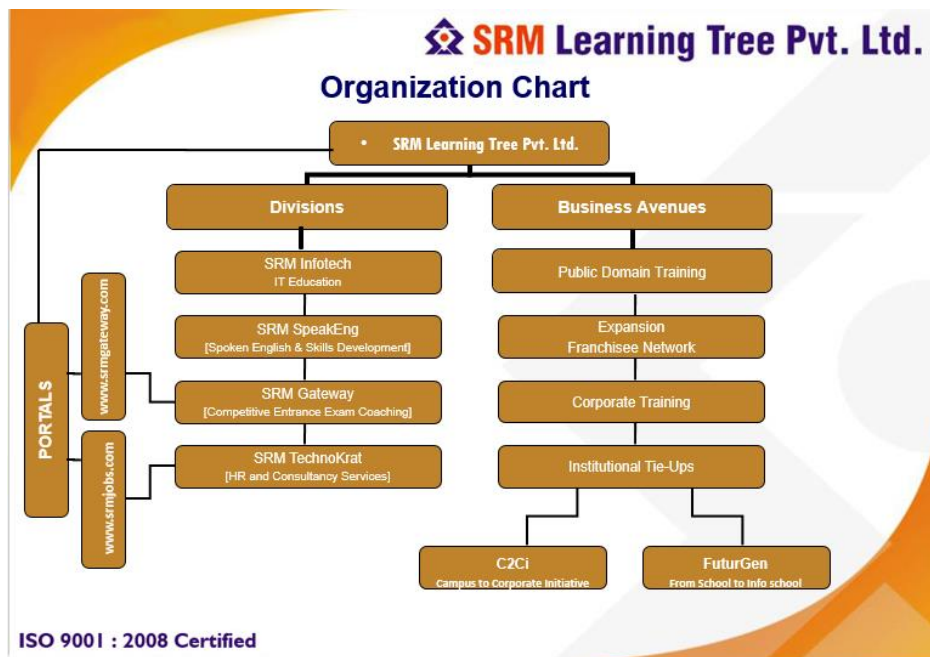
as SRM Gateway. Also offered coaching practise test and Qbanks for IIT-JEE, Medical Entrance exam through their portal.

**USD 1.5 bn market size**

Segment	Aspirants	% who take coaching	Average Spend (INR)	Market size (Rsm)	Market size (US\$ m)
Engineering	10,00,000	80%	25,000	40,000	1000
MBA	4,60,000	60%	15,000	4140	104
Medical	3,50,000	80%	30,000	16,800	420
GRE/GMAT/SAT	85,000	80%	12,000	816	20
<b>Total Market size</b>				<b>61,756</b>	<b>1544</b>

Source: Edelweiss & CLSA education report – 2008 & 2009

**References – Organizational structure**



**Conclusion**

SRMLT has grown multi fold by implementing all the recommendations and solutions which revitalized the overall growth. The company has grown both vertically and horizontally by effectively packaging its products and service offerings. To consolidate

from 2003 to 2010 company poised for growth by expanding its training locations by adopting the franchisee model.

Being a regional Tamil Nadu player to a PAN India and Overseas company offering it training and coaching services. The company also acquired the ISO 9001:2008, ISO 9001:2015 quality management system certification and also implemented several continual improvement projects.

## Byju's - Case Study Of A Successful Indian Startup

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### Abstract

In the Indian context, education has traditionally been an interactive session between the teacher and the student in a brick-and-mortar setup. The focus has been more on securing high marks from an exam point of view, where the importance of dwelling deep on the concepts often takes a backseat. The drawback with our education system is that it gives more importance to surface-level learning of various subjects than in-depth understanding. We tend to encourage more generalists and very few specialists (2). Realizing this anomaly, an entrepreneur who started coaching classes in the traditional offline mode in 2006 for students preparing for competitive exams like CAT opened up course materials for school students in subjects like Maths and Science and that too, in the online mode when it was unthinkable before the pandemic set in. But Byju Raveendran believed in the philosophy that business could not be driven by the passion to make money, but the passion to change society was far more important, setting up the online educational firm Byju's in 2011 (3)(4). Today it is the most valued startup firm in the country.

### About the Founder

Byju was born into a middle-class family in a small village called Azhikode in Kerala. His parents were teachers – father a Physics teacher and mother a Mathematics teacher (4). After school, he became an engineer and got an IT job abroad. During one of his holidays in Bangalore in 2003, he helped some of his friends prepare for the prestigious CAT exam and they did well. He attempted the test too and came out in flying colours, scoring 100 percentile (14). Though he went back to his job then, he continued to help some more friends in the later years, and when they also turned successful, he realized that teaching was his profession and quit his job. He took up coaching students for the CAT exams, and his classes grew in scale from individual students and small

batches to create an entire institution. In 2011, Byju and his wife set up the parent company, "Thinkand Learn." (5).

### **The Growth Story**

While grooming the students for the competitive exams, he realized that most of them were approaching it with the motive of securing marks and remaining competitive but had less focus and clarity on fundamental concepts. He saw potential here to impart basic ideas in Maths and Science from their formative years in school. From 2011 to 2015, they focused on creating content mainly for school students of classes 6 to 12. Emphasis was also laid on the whys and hows of the concepts, not just the whats. Byju's Learning App was launched in August 2015 that offered course materials for students from Classes IV to XII and prepared graduate students for competitive exams like CAT, IAS, GRE, and GMAT (16).

The novel approach appealed to investors as a trailblazing initiative, and in 2016 alone, venture capital firm Sequoia Capital and Belgian investment firm Sofina invested \$75 million (approximately Rs 500 crore/Rs 5 billion) into the firm, which was the most significant fundraising in the education startup segment in India (3).

In August 2020, Byju's acquired the online coding school WhiteHat Jr for \$300 million. With multiple rounds of funding through the year to secure \$1.32 billion and a decacorn status, the company reportedly signed a deal to acquire Aakash Educational Services for \$1 billion in April 2021. This was one of the biggest ed-tech acquisitions in the world. In February 2021, Byju's signed a Rs.130 crore deal to become a global partner with International Cricket Council (ICC). They also acquired US-based educational games startup Osmo for \$120 million in early 2019, gaining a starting point in the USA and intellectual property in the form of its computer vision platform (9)(13). Byju's has a valuation of \$21 billion as per the latest records, and the education technology company has taken the top spot in the list of startups in India. The company claims to have 50 million registered students and 3.5 million paid subscriptions (12).

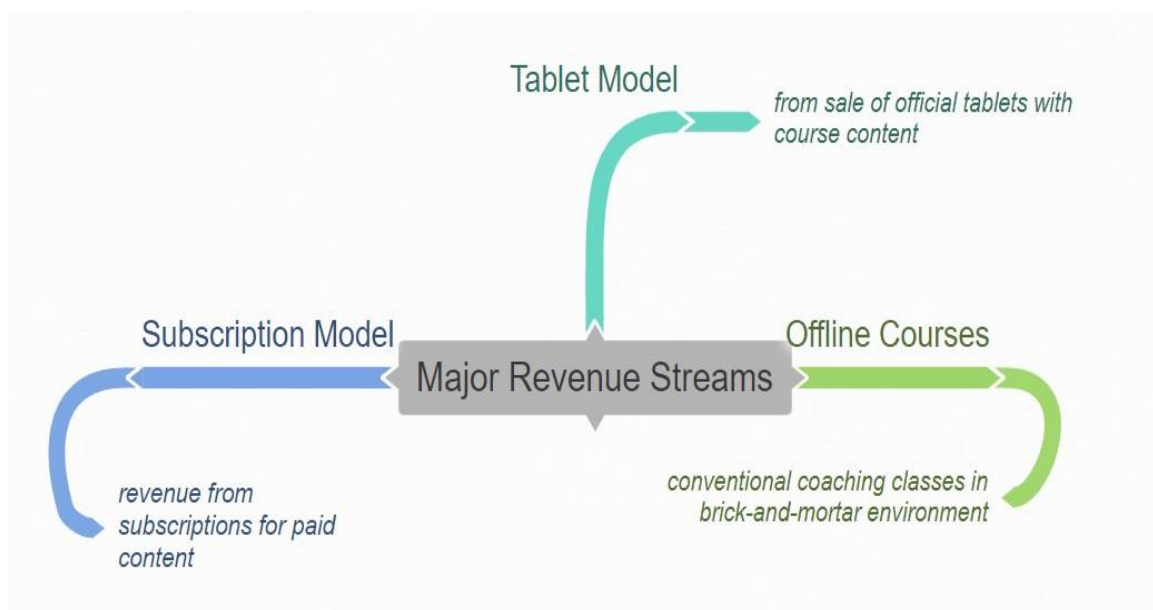
### **Business Model**

The business model of Byju's is based on blending the features of technology in the education platform. They call it a freemium model where some of the contents are available to the students for free in the initial stages, usually for 15 days. If further access

is needed to advanced content, a subscription is required. The model is similar to the working of cloud-based video conferencing platforms like Zoom, where some of the features are available to you for free but access to more advanced features is through subscription. In the case of Byju's, once the students experience the quality of content in the free period, simplified methods of illustration, and the convenience of using the app, they feel the need to access more content and opt for a subscription. Thus, Byju's has three streams of revenue **(1)**.

1. *Subscription Model* - paying for subscriptions beyond the free trial period to access further material.
2. *Tablet Model* – where the same courses are installed on a tablet, and the student can buy the tablet to learn offline without using the internet.
3. *Offline Courses* - Byju's Offers offline courses at some locations like Delhi and Noida. So, the business model is simple. It's like Netflix - the 'Free Trial' Business Model.

Pic 1 : Revenue Model Of Byju's



### Factors Behind The Success Of The Business Model:

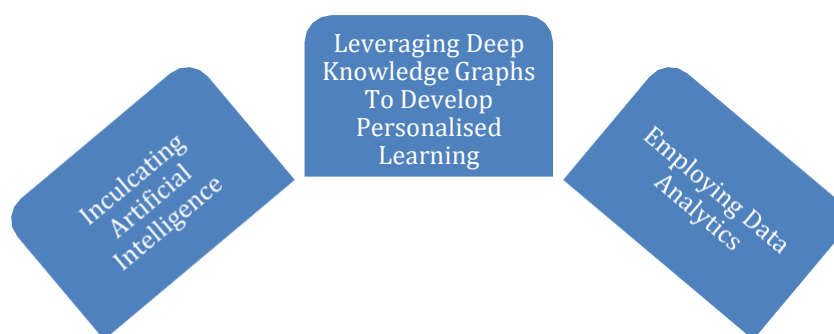
"Fall in love with learning" is the tagline of Byju's, and they adopt methods to live up to this message. Some of the distinct features of Byju's app are **(5)**:

- Options for test trials where the users get the facility to take chapter-wise tests to ascertain their understanding of the concepts.
- All-round learning with multiple learning options, especially for students

from lowerclasses.

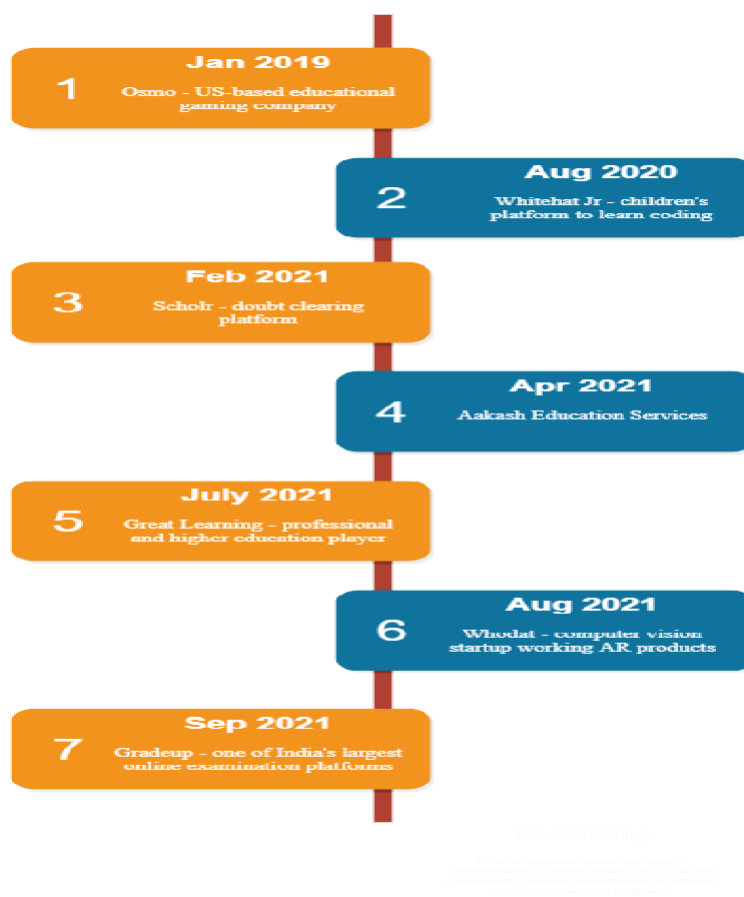
- Graphical representation of concepts for better understanding.
- Interactive video presentations to make learning an interesting experience for students.

According to Byju Raveendran, the founder of the startup, simplifying the learning experience of students is the main reason for their success. Whether offering programmes for students of classes IV to XII or preparing graduates for competitive exams, their motto has been to present the contents of the course materials differently and change the learning experience of students for better acceptance. To achieve this objective, Byju's has leveraged the features of technology quite well in education by adopting these methods **(11)**.



Pic 2: Use Of Technology  
At Byju's

1. Byju's acquisition of Osmo in 2019 offers them the option of experimenting with Augmented Reality and Virtual Reality in the contents of Byju's app, thereby opening up the possibility of a promising Artificial Intelligence (AI) in their scheme of things.
2. Adept use of technology to present concepts and relationships of contents in graphical forms, thereby making learning an engaging visual experience for the students **(15)**. Plus, extensive use of elements like videos, quizzes, and flashcards contributes to the personalization of the learning experience.
3. Usage of Data Analytics to assess the areas where students commit frequent errors and fix them by modifying the presentation of contents, followed by spaced repetition.



**Pic 3: Major Acquisitions**

Besides the above-said measures, Byju's has a strong R&D team that constantly strives to develop and present the contents in innovative ways to make learning a pleasure for the students. They have also focused on personalized online coaching for students, as shown by the recent ads about tuitions with the two teacher advantage, constantly reinventing their deliverables. They have also introduced subjects like History, Civics, and Geography in their syllabus for primary and secondary stage students. At present, their courses are offered in English and Hindi, and they are soon planning to reach out to more students through vernacular languages <sup>(1)</sup>.

### **Brand Analysis**

The education technology startup, founded in 2015 as Byju's app, has a recent valuation of \$ 21 billion and is the top-most valued startup in India. The company claims to have 57 million registered students and 3.5 million paid subscriptions and is the major player in the education technology space of India <sup>(12)</sup> <sup>(18)</sup>.

According to the Forbes list of India's richest people (2020), Byju Raveendran -



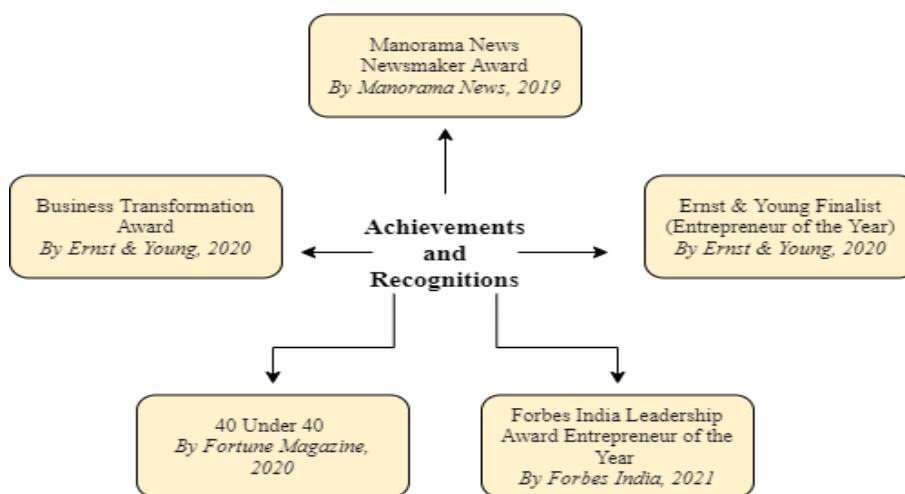
the founder of Byju's app - was the youngest Indian billionaire with a net worth of \$ 3.05 billion with a total funding inflow of \$ 2.7 billion as of June 2021. Byju's was the first Asian startup to get funding in 2016 from the Chan-Zuckerberg Initiative founded by Facebook founder Mark Zuckerberg and his wife, Priscilla Chan. A case study on Byju's was featured in Harvard Business School's curriculum in March 2017 (7) (14).

Byju's partnering with the International Cricket Council (ICC) in early February 2021 was with the idea of garnering eyeballs from all the English spoken countries where Cricket is popular and where Byju's wants a strong foothold. The three-year agreement was to cash in on the ICC Men's T20 world cup in India in October 2022 and the ICC Women's World Cup in New Zealand in March 2022 (9). Shahrukh Khan is the brand ambassador for the firm and every cricket season, we will continue to see a flurry of ads featuring Byju's (17).

**Recognitions**

Byju Raveendran, the founder, has already become a globally recognized business leader with these achievements and recognitions (4):

- Manorama News Newsmaker Award – By Manorama News, 2019
- Ernst & Young Finalist (Entrepreneur of the Year) – By Ernst & Young, 2020
- Business Transformation Award – By Ernst & Young, 2020
- 40 Under 40 – By Fortune Magazine, 2020
- Forbes India Leadership Award Entrepreneur of the Year – By Forbes India, 2021



Pic 4: Achievements and Recognitions

## Challenges Faced

In a country where the education system revolved around rote learning with a primary focus on scoring high marks in the exams, Byju's made a revolutionary change in the concept of teaching and learning where the focus shifted to understanding concepts and encouraging students to ask questions. The exhaustive contents of their course materials and innovative approach to their content delivery ensured that students were drawn to Byju's.

Again, the traditional education system in India was in the brick-and-mortar surroundings where teachers and students had personal interaction, and online learning was not popular in the 2010s when Byju's came into the scene. From such a challenging environment, Byju's has become India's undisputed market leader in the ed-tech sector and is taking giant leaps towards getting a global footprint. This success is attributable to their refreshing approach to education, adept use of technology and their strategic acquisitions of market-leading firms in sectors that Byju's intended to capitalize on (16).

Considering the cultural diversity of India, where many languages have prominence, Byju's quickly realized the importance of having course materials not just in English and Hindi but also in other vernacular languages. Introducing these regional languages has been taken up by the firm in earnest intent. Also, offering free content and course materials in the initial stages of the online platform to get those students to pay for further access to advanced content with a premium was a real challenge for Byju's in their formative years (11). The innovative methods adopted by their R&D team in designing the course content and its delivery helped them overcome this hurdle also successfully.

## Future outlook

The pandemic has resulted in a paradigm shift in the education sector worldwide, where digital technology and E-learning methods are gaining popularity. This naturally results in a lot of competitors with a similar business model as Byju's, focusing on this sector. For now, Byju's seem to have called all the right cards through some strategic acquisitions (18). By acquiring Aakash education, a market leader in the brick-and-mortar coaching segment in India with about 215 centres across the country, they took significant advantage. Later on, the acquisitions of Gradeup (one of India's largest online exam preparation platforms), Whodat (computer vision startup that works on augmented

reality products), Great Learning (professional and higher education player), Scholr (doubt clearing platform), WhiteHat Jr (teaches coding to children), have all helped establish Byju's as the undisputed market leader in the Indian ed-tech sector. It has already entered the US, UK, and several other English-speaking countries and plans to spread its wings to the middle-east, Indonesia, Mexico, and Brazil. The kind of strategic alliances and acquisitions that Byju's have designed should ensure these goals.

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## One Rupee Idli Granny 'Ms. M Kamalathal': A Saga of Selfless Service

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### Abstract

"Mens Sana in Corpore Sano" is a Latin proverb that translates into "A Sound Mind in a Sound Body," which suits a person (Ms. M Kamalathal) who relentlessly works hard in serving the people with one-rupee idli. "My grandchildren ask me to stop the business as I am getting old, and they want me to look after my health. But I refuse to stop as preparing food for people brings me joy. It also keeps me active," utters the statement whenever she was asked to quit her work due to aging problems. The lowest price of ₹ 1 per idli attracts all people in and around her place. Kamalathal has the most proletarian margin business tradition from her grandmother's period. A value system adopted from her ancestors makes her have contended person. Kamalathal worries about her legacy of service in upcoming days, and even her granddaughters are interested in taking it forward. The noble service has to be moved to the next level and should not be restricted to one region. Kamalathal's selflessness could be addressed by the private organizations and the Governments if possible. How to reach out to a more significant number of customers? How should she do her successive planning for this joyful service?

The case be used to teach on topics like social entrepreneurship, succession planning, and service management. Entrepreneurship and service operations management courses would be highly suitable to discuss this case study.

### Introduction

"One of those humbling stories that make you wonder if everything you do is even a fraction as impactful as the work of people like Kamalathal. I notice she still uses a wood-burning stove. If anyone knows her, I'd be happy to 'invest' in her business & buy her an LPG fueled stove (Anand Mahindra, 2019)."

A tweet came from an eminent industrialist Mr. Anand Mahindra who offered her support in constructing her new home. Kamalathal's selfless work got attention after his tweet.

A lot of media attention has reached multiple levels of the people in society. BPCL has issued an LPG gas connection to Kamalathal and is appreciated as a "Gift of Health" by Mr. Anand Mahindra. "Kamalathal has been using HP Gas domestic connection. She was approached today & provided with a commercial installation with proper Burner & Piping suitable for bulk cooking, which will help her expand business" said by HPCL officials and provided necessary help to run the business successfully. After seeing the activities done by many netizens, then the District Collector of Coimbatore, Mr. Rajamani met her and assured all possible assistance, including a house under the PM Awas Yojana. The help provided by many good people motivated the people like Kamalathal to serve the needy people at the lowest price on the food products. This scenario has turned into a total selfless activity on humans' basic needs, which are still lacking in all walks of life.

### **About Ms. M Kamalathal**

An octogenarian, Kamalathal, belongs to Vadivelampalayam village of Coimbatore district, hails from an agrarian family, and has been living a joined family since her childhood. Her affinity towards her family members is priceless. She has barely gone to school, but she could still read regional language (Tamil) newspapers and manage to write whenever needed. She had witnessed her grandmother's work serving people with good food at the lowest price since her childhood. She always wanted to do the same type of service lifelong. She follows a tradition of doing business service with a bare minimum margin and looking for a societal benefit at large. She doesn't hold many properties and lives in a tiny house. She has been running this business for more than five decades with utmost happiness.

### **Genesis of Cooking**

Kamalathal starts her day at 6 am and closes down at noon as customers end their breakfast before noon. She runs her shop at her house itself. Till 2019, she was using only firewood for cooking the food times. She used hand-driven stone grinds to make the batter and tasteful chutneys that all customers enjoy. She used a very traditional way of cooking and served the customers. She never takes anyone's help in doing any work related to this cooking. Even the cleaning is being taken care of her alone. A single-handed managing all levels of this business function shows her superior commitment level.

## Purchasing

Most of the raw materials are taken from her garden especially seasoned vegetables and coconut, from her grown trees in her house. The remaining needed are purchased with two to three days of stock. The main ingredients, such as rice and dal, were purchased nearby markets in bulk or lot purchasing based on the available money.

## Making of Idlis

The batter consists of six kilos of rice and urad dal, which she prepares overnight for the next day idli making. A three-tier idli maker with three vessels was used to make 37 idlis in one round. The peak hours of sales happen between 7 am and 9 am. The food can be served without any delay at operating hours with the existing facility. She also ensures that all the customers are eaten on time.

## Pricing

Customers are served single idli with sambar and chutney at the cost of ₹ 1 (0.013340214 US \$)<sup>1</sup>. Typically, a plate consisting of four pieces in a hotel is priced between ₹ 15 and ₹ 30. The idlis were priced for ₹ 0.50 per idli for a long time. It had to be hiked because of the price rise on the ingredients. She sells up to 500 idlis per day and makes lesser than ₹ 200 per day as a margin. She refuses to increase the price, as she does for the destitute hungry, and considers this a pious act based on moral or religious merit. She added one more item bondas to the breakfast menu at the cost of ₹ 2.50.

## Customer segments

The customers such as farmers, daily wage earners, immigrant workers, and school children have been taking their breakfasts at affordable prices. Most of her customers belong to middle and lower-middle-class backgrounds. More than 90% of the customers are repeated as it has become second home as far as breakfast is concerned. Many have attributed her success in retaining more customers because of her *Kai Pakkuvam* (unique taste) and feel of homemade food.

## Support from Industry

Thyrocare technologies offered her a large commercial wet grinder. HPCL gave three gas cylinders regular and commercial stove, including refills whenever required.

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<sup>1</sup> Conversion Rate: Referred on 31.01.2021 from <https://www.xe.com/currencyconverter/convert/?Amount=1&From=INR&To=USD>

During the pandemic, she got support from many individuals who had sent her raw materials, which enabled her to continue the business.

"Only rarely does one get to play a small part in someone's inspiring story, and I would like to thank Kamalathal, better known as Idli Amma, for letting us play a small role in hers. She will soon have her house cum workspace from where she will cook & sell idlis" (Anand Mahindra, 2019). As the support pours in a different format, she could take the business to the next level.

### **Problems**

Kamalathal has been doing her business without much expectation for generations. The statement was given by granddaughter-in-law that "She likes to do everything by herself including the choosing of firewood to be used." Her involvement and commitment have been drastically increasing even as she grows old. But the growing age would bring a standstill to her service to the community.

Being "One-Woman Army," she can't add more products in her selling other than selling Idlis. She may feel the crunch in selling the existing products because of Government-run Amma Unavagam (canteen) with the same price band of more product varieties (Refer: Annexure -I).

The new products with existing facilities need more investments to revamp the kitchen area by adding more gas burners and making required facilities. Repeated customers are more and then their requirements also very limited. The shop got customers who have been visiting the shops for a minimum of 2 years and a maximum of 20 years to have their breakfast. She has loyal customers.

A student at panchayat union middle school who had been visiting the shop for more than five years and a senior citizen who had been a customer for 20 years utter a statement, "I sometimes eat without even paying her" also said, "My children prefer eating outside, but I would like to eat only here." (The Hindu, 2019).

Most of the loyal customers are from the same village and nearby villages. Few tourists visit the shop after seeing the videos on social media. But the expansion of making capacity needs meticulous planning as customers are bonded for the traditional taste.

The above statements summarize the problems of successive planning, shop/product expansion, and continuity of this saga of selfless service. The same type of



service has never continued in pre-independent India (Refer: Annexure-II). The world could witness such a personality after one century with the help of social media.

As a subsidy food supplier, Kamalathal faces problems in succession planning even few family members show interest. Her dedication and inspiration have to be passed on to the next generations. She can approach the Government and local well-wishers who can take her business next level with social consciousness. The needy and unreachable customers are enormous for this kind of foodservice.

In India, during pandemic lockdown 80% of informal workers lost jobs and 63% survived on two meals a day (Firstpost, 2021). Kamalathal's service would have helped many people during lockdown and kept people healthy during pandemic. The selfless service has to be carried out to fulfil the needy people.

How to reach out to a more significant number of customers? How should she do her successive planning for this joyful service?

#### Annexure- I

Meal	Menu	Price (per plate)
Breakfast	Pongal Idly and Sambar	₹ 5/- ₹ 1/-
Lunch	Lemon Rice Sambar Rice Curd Rice Curry Leaf Rice	₹ 5/- ₹ 5/- ₹ 3/- ₹ 5/-
Diner	Chapatis + Dal / Korma	₹ 3/-

Source: Amma Unavagam (2020)

#### Annexure-II

Ms. Dokka Sithamma resided in a remote village Lankala Gannavaram on the banks of the river Godavari River in Andhra Pradesh between 1841-1909. She is well known for her charity of feeding the people in need with food for free. Sithamma for decades had provided the poor and travellers for free in small villages in the Godawari district of Andhra Pradesh

(State). Her selfless service has earned accolades even by King Edward VII, and her photograph was inaugurated in the main hall of the Royal Palace of London by the then Ruler, King Edward VII, on 01.01.1903. An aqueduct named after her. She used to cook independently and serve the needy tourists, poor, etc. In Indian culture, giving food to the needy is considered a very pious deed, and service to humanity is considered services to God, and guest is God. Seethamma got the noble trait of providing free food and persistently trod her father's path till her last breath. Her caring husband Dokka Venkata Joganna's resolute support and motivation further helped her continue her charity work even after his death.

### Acknowledgment

The information was collected by an interview method at Ms. M Kamalathal's house on September 14, 2021. She has agreed to publish her information for academic purposes. The interview was conducted in both in-person and online mode.

### Photographs

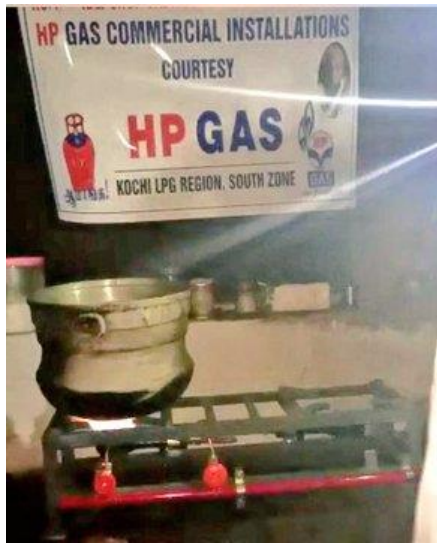


BPCL



HPCL





District Collector of Coimbatore

Mr. K. Rajamani, I.A.S



One of authors of the Case  
(Dr. K. Subramani)

with Ms. M Kamalathal

(September 2021)

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## **The Mouse in a Trap.....**

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### **Abstract**

This case is written to teach the concepts related to Materials Requirement Planning, which is part of Production Planning and Control and an extremely popular topic in Operations Management and Supply Chain Management. “*The Mouse in a trap*” explains the difficulties faced by Periyasamy in supplying the Mouse Assembly to his friend, Kumaravel Natesan. Periyasamy was not able to meet the delivery commitments because of poor production planning. Simply put, he never had a Materials Requirement Plan for the assembly of the Mouse Assembly. The Teaching note provides a solution to the problem faced by Periyasamy using the techniques used for Materials Requirement Planning. The solution would introduce the students to the concepts related to Product Structure, Bill of Material, Master Production Schedule, Order Quantity, Lead Time, Lot sizes and Materials Requirement Planning.

## **The Mouse in a Trap.....**

A Primer to the Case.....

### **Characters**

Natesan Kumaravel, Owner of a 3D printing facility based out of Udumalpet, a small town in the Western part of Tamil Nadu

Periyasamy, Owner of an assembling unit which manufactures mops based out of Udumalpet, a small town in the Western part of Tamil Nadu

Senthil Balaji, a senior Engineer in the Production Planning and Control department of a Leading Auto components manufacturer in Coimbatore

Natesan Kumaravel was teaching in the Mechanical Engineering Department of a University in Denmark. The covid pandemic had an enormous impact on his personal life, because of which he had to come back to his native place, Udumalpet. He had started a 3D printing facility in his place. His long years of research in 3D printing had motivated him to start a 3D printing unit. Small 3D printing facilities such as the one started by Natesan Kumaravel should create a revolution in manufacturing, taking manufacturing to locations nearer to the customers. Few years back, there was a lot of hype around 3D Printing.

However, it has fast become integrated with mainstream Manufacturing. Additive Manufacturing or 3D manufacturing has gained popularity in the past few years. 3D Printing is the construction of a three-dimensional object from a CAD model or a digital 3D model.<sup>1</sup>

The term "3D printing" can refer to a variety of processes in which material is deposited, joined, or solidified under computer control to create a three-dimensional object,<sup>2</sup> with material being added together (such as plastics, liquids or powder grains being fused together), typically layer by layer. 3D Printing builds a solid object from a series of layers – each one printed directly on top of the previous one. The raw material for 3D Printing is a powder, which can be a thermopolymer or a metal. The printing chamber is usually heated to a required temperature just below the melting point of the material. This ensures that the laser used to heat the powder can melt the material quickly. The operating system of the 3D printing machine is designed to enable the printing of the required product.

One of the major orders that Kumaravel Natesan got was for Supply of Mouse Assembly to be used by a leading computer assembling unit in Puducherry. This was a firm order to supply Mouse for a period for three years. Few of the components of the mouse had to be 3D printed. 3D Printing could be done in his facility. The other components had to be procured from suppliers in Bengaluru, Coimbatore, and Chennai.

Kumaravel Natesan's friend, Periyasamy had a small assembling unit to manufacture mops. Since, Natesan Kumaravel was keen on 3D printing, he wanted his friend to assemble the Mouse and supply to him. Once, the assembled Mouse reaches his facility, he would have the routine Quality check done and dispatch it to the Computer Assembling unit in Puducherry.

The firm order received from the computer assembling unit requires Kumaravel Natarajan to supply a minimum of 250 mouses every Monday for the next three years. The firm order stated that Kumaravel had to supply 250, 300, 350 and 250 Mouse Assemblies every Monday for four weeks. This cycle of order would be followed for all the others weeks of the next three years. The firm orders received from the computer assembling was shared by Natesan Kumaravel with Periyasamy. Periyasamy was willing to assemble the components of the mouse. The various components that go into making one number of a final product of a mouse.

One Final Product of a Mouse Assembly consists of one Mouse Base Subassembly, one Ball Holder Subassembly, one Mouse cover, two screws and two different sticker pads. Each mouse base subassembly consists of one mouse base, one saw assembly, one circuit board, two numbers of gears, and a cord. Each saw assembly consists of a wheel and a spring. The Ball holder subassembly consists of a ball holder and a ball.<sup>3</sup>

The 3D printing facility of Natesan Kumaravel prints the mouse cover, gears, ball, and the ball holder. Natesan Kumaravel had planned to make one component per day. His simple plan was to print mouse cover on Mondays, Gears on Tuesdays, Balls on Wednesdays, and the Ball holders on Thursday. He had allotted Saturdays for the inspection and Quality assurance activities for the Mouse assembly along with loading the software provided by the computer assembler. Then, he would dispatch to his buyer in Puducherry. The Mouse Assembly would reach the computer assembling unit by Sunday morning. He would spend his Sundays with his parents, the major reason for him to relocate to Udumalpet from Denmark.

Periyasamy had a decent order for the mops and he had planned to make the mops on Mondays, to Thursday. The Mouse would be assembled on the Fridays. The assembling unit run by Periyasamy was a family affair with his wife and sister mostly assembling the components. Periyasamy would spend his time in the plastic fabrication Die that was used to make the major components of the mops. His brother, Chinnasamy usually took care of the sales of these mops. They had identified a buyer in Sowcarpet, Chennai. The wholesale shop in Sowcarpet would buy all the mops supplied by Periyasamy.

However, the mouse had to be assembled and given to Kumaravel Natesan by the evening of every Friday to ensure that they could be dispatched to reach the computer assembling unit in Puducherry. Periyasamy was wondering on how to plan his assembling line must be designed to meet the weekly numbers required of Kumaravel Natesan. To understand any challenges in assembling the Mouse Assembly, both Kumaravel Natesan and Periyasamy decided to do a dry run of assembling the Mouse Assembly. *“Okay, Assemble the Mouse Assembly and give me 250 numbers by every Friday evening for a month. I will Supply you the four components from my 3D Printing facility as per my schedule”* said Kumaravel Natarajan.

The fully manual assembly required for assembling the mouse consisted of four work stations. Periyasamy was able to design the work stations for assembling the Mouse



assembly. He had even developed a cellular layout design to assemble the mouse. The Layout design consisted of four work stations all kept within the reach of a single operator. In the station 1, four steps would be involved to Assemble the wheel and Spring sub assembly with Mouse Base, In Stations 2, twelve steps were involved to Assemble the circuit board with the Mouse base and attach the cord, gears to the Mouse base and the Mouse cover to the Mouse Base. In Station 3, eight steps were involved in placing the ball holder onto the Mouse Base and securing the Mouse Base and Mouse Cover by inserting and tightening screw. In Station 4, the sticker pads were stuck, the product manual included and temporary packing done. After this, the Final product is delivered to the 3D Printing unit in batches of 50 numbers as and when the assembly of 50 numbers is completed. The cellular layout design of the workstations was good enough for either his wife or sister to assemble 400 Mouse Assemblies in a day. If he assembles any number less than 400, he would incur more costs.

Periyasamy had agreed to procure the other components on his own. The circuit board is supplied by a factory in Bengaluru. The spring and the wheel used in the saw assembly is supplied by a small unit from Ganapathy, Coimbatore. The Mouse base is also procured from another small fabrication unit in Ganapathy. The screws and the cord required for the mouse are procured from a supplier in the Nanjappa road, Coimbatore. The Sticker pads are procured from a printing facility in Sivakasi. Kumaravel Natesan supplied 300 numbers of mouse cover on Monday evening, and 700 numbers of Gears on Tuesday evening, and 300 numbers of Balls on Wednesday evening, and the same number of Ball Holders on Thursday evening to Periyasamy. Hence, Periyasamy had to assemble the required numbers of Mouse Assembly and give it back to Kumaravel Natesan by 5:00 PM of Friday.

However, in the first week, he was only able to supply 200 numbers of Mouse Assembly to Kumaravel. The next week too, Kumaravel supplied the components to Periyasamy as per his scheduled plan. Again, that Friday, Periyasamy was able to supply only 150 numbers of Mouse assembly. Periyasamy was not able to meet his commitment to supply the required numbers of Mouse assembly for the next two weeks too. Though, he had designed the layout to assemble the Mouse well, he was not able to meet his commitment to Kumaravel because of not having enough of some of the components needed for the Mouse assembly. He realized that he was in a trap where he was not able to supply the required numbers to Kumaravel. *“How do I get all the components required to*

*assemble the Mouse Assembly? I am either having more numbers of some components and having less numbers of some other components” wondered Periyasamy. “How do I solve this situation? Will the Mouse come out of the trap?” he further wondered.*

What looked like a simple task of assembling the Mouse had become an impossible task because of poor planning from his side. Periyasamy was grappling with the question of how to supply the required number of Mouse Assembly to Kumaravel. He had realized that because of his inability to plan to Assemble the Mouse Assembly, he was stuck in a trap. Or The Mouse was struck in a trap. He realized that sometimes he had more numbers of the components and sometimes enough number of the components were not available with him to assembly the Mouse Assembly.

He took a stock of all the components and subassemblies available with him. There were 100 numbers of Mouse Assembly, 50 numbers of Mouse Base subassembly, 100 numbers of mouse cover, another 300 numbers of Gears, 125 numbers of Balls, 150 numbers of Ball Holders. There are 150 numbers of Circuit boards, 500 numbers of Springs and 450 numbers of wheels and 250 numbers of Mouse base. Also, there are 400 numbers of screws and cords. There are 350 numbers of sticker pads each. There were also 100 numbers of Ball Holder Subassemblies and 50 numbers of Saw Assembly. *“In spite of having these many numbers of various components, how is it that I am not able to supply the required numbers of Mouse Assembly,”* he lamented to his brother.

It is then that he had contacted Senthil Balaji regarding the issue he was facing in assembling the Mouse Assembly. Senthil Balaji had completed his Masters in Industrial Engineering and was working as a Production Planner with a leading Auto component manufacturer in Coimbatore. Senthil Balaji also belonged to the village where the 3D Printing Facility of Kumaravel Natesan was located. After listening to Periyasamy, Senthil Balaji had raised the following questions?

1. What are the details of the firm order received by Kumaravel Natesan for the supply of Mouse Assembly?
2. From where and whom is Periyasamy procuring the various components that are needed to make the Mouse Assembly?
3. How long does it take for Periyasamy to get the various components from his suppliers and in what quantities will he receive them?
4. When is Periyasamy getting the various components from the suppliers?

5. What are the quantities of components that are available with Periyasamy as of now?
6. Does Periyasamy have a Production Plan for the Assembling of the Mouse Assembly?
7. What is the Purchase quantity of each of the components that are required for the Mouse Assembly? When are they needed?
8. What is the Product Structure of the Mouse Assembly?
9. What is the Bill of Materials for the Mouse Assembly?
10. What is the Lead Time for the various components that are required for making number of the Final Product?
11. And finally, what is the Materials Requirement Plan for the Mouse Assembly?

Now, Periyasamy was completely lost for words. He had indeed no answers to many of these queries and he was wondering why Senthil Balaji was asking these questions? Senthil Balaji had agreed to visit Periyasamy's Assembling unit next week and provide solutions to ensure that Periyasamy meets the supply commitments to Kumaravel Natarajan. *“When I come next week, I will surely help you release the Mouse out of the trap and ensure that you supply the required numbers of Mouse Assembly to Kumaravel”* said Senthil Balaji. *“But, ensure that you have the answers to the questions that I had raised,”* he further said.

## **Teaching Note**

### **Gate quiz**

The following True or False quiz can be administered by the teacher to check whether the students have read the case study.

1. The raw material for 3D Printing is a powder, which can be a thermo polymer or a metal – True
2. Natesan Kumaravel has a small 3D Printing facility in Udumalpet – True
3. Periyasamy was not able to meet the delivery commitment because of poor Production Planning – True
4. Periyasamy had to assemble 200 numbers of Mouse assembly and give it back to Kumaravel Natesan by 5:00 PM of Friday – False
5. Periyasamy had to assemble 250 numbers of Mouse assembly and give it back to Kumaravel Natesan by 5:00 PM of every Thursday – False
6. Periyasamy had designed a cellular layout to assemble the Mouse Assembly – True

7. The Layout design for the Mouse Assembly consisted of five workstations all kept within the reach of a single operator- False
8. The circuit board which is a component in the Mouse Assembly is supplied by a factory in Chennai – False

Manufacturing a product involves meticulous planning. The Production related planning would have to be done at various levels by the manufacturer.<sup>4</sup> At a long-term level, every manufacturer will have to do a capacity plan for manufacturing. This results in setting up a manufacturing facility with a required capacity to meet the demands of the market for a long term. Capacity plan involves huge capital outlays. At the next level on a yearly basis, each manufacturer must have an Aggregate Plan. The Aggregate plan is a plan of how the capacity of the manufacturing facility will be utilized to meet the market for the coming year. The Aggregate Plan is usually done with a one-year planning horizon. Once, the Aggregate Plan is done, the Master Production Schedule (MPS) of the various products and models being manufactured is arrived at. The MPS is a period wise schedule of manufacturing of the various products and models.

With respect to the requirements of Periyasamy, the Master Production Schedule is a straight-forward schedule to assemble 250, 300, 350 and 250 numbers of Mouse Assembly every Friday and deliver them to the 3D printing facility of Kumaravel Natesan. However, to assemble the Mouse Assembly by every Friday, Periyasamy must ensure that he has all the components and enough numbers of each component needed to assemble the required numbers of Mouse Assembly. Hence, he must have a clear idea of the time taken for his suppliers to supply the various components. This would enable him to issue a purchase order to the suppliers accordingly.

#### 1. Details of the firm Order received by Kumaravel Natesan for the supply of Mouse Assembly

Kumaravel Natesan must supply 250, 300, 350 and 250 Mouse Assemblies every Monday, followed by a similar number for the other Mondays to the Computer Assembling unit in Puducherry. The required Mouse Assemblies should reach the Computer Assembling unit by Monday every week. This order schedule must be followed for the next three years. There are stringent penalty clauses for not adhering to the order schedule. An Illustration of the firm order received for the supply of Mouse Assembly is show in Table 1.

**Table 1. Demand for the Mouse Assembly**

<b>Period</b>	<b>Number of Mouse Assembly</b>
Monday of the first week	250
Monday of the Second week	300
Monday of the third week	350
Monday of the fourth week	250
Monday of the fifth week	250
Monday of the sixth week	300
Monday of the seventh week	350
Monday of the eighth week	250

2. From where and whom is Periyasamy procuring the various components that are needed to make the Mouse Assembly?

The Source for the various components needed to make the Mouse Assembly is given in the Table 2.

**Table 2. Suppliers of the various components of Mouse Assembly**

<b>Component</b>	<b>Supplier</b>
Mouse Base	Fabrication unit in Ganapathy, Coimbatore
Spring	Small unit in Ganapathy, Coimbatore
Wheel	Small unit in Ganapathy, Coimbatore
Circuit Board	A Fabrication Factory in Bengaluru
Gears	3D Printing facility of Kumaravel Natesan
Cord	Supplier from Nanjappa Road, Coimbatore
Ball Holder	3D Printing facility of Kumaravel Natesan

Ball	3D Printing facility of Kumaravel Natesan
Mouse Cover	3D Printing facility of Kumaravel Natesan
Screw	Supplier from Nanjappa Road, Coimbatore
Sticker Pad1	Printing Facility from Sivakasi
Sticker Pad2	Printing Facility from Sivakasi

3. How long does it take for Periyasamy to get the various components from his suppliers and in what quantities will he receive them?

Periyasamy will receive 300 numbers of mouse cover on Mondays, 700 numbers of Gears on Tuesdays, 300 numbers of Balls on Wednesdays, and 300 numbers of the Ball holders on Thursday of every week as assured by Kumaravel. It would take seven days to get the circuit boards from the factory in Bengaluru. The factory would supply in lot sizes of 400 numbers only. It would take 14 days (about 2 weeks) to get the springs and the wheels from the Units in Ganapathy, Coimbatore. The unit in Ganapathy would supply the Springs and Wheels in lot sizes of 300 each only. The small fabrication unit in Ganapathy would supply the Mouse base in 7 days and they would do it in lot sizes of 250 only. The Supplier in Nanjappa Road, Coimbatore would deliver the Screws and cords in seven (about a week) days and in quantities of 600 and 700, respectively. The two Sticker pads would be supplied in 14 days (about 2 weeks) by the Printing facility in Sivakasi and in quantities of 500 each.

4. When is Periyasamy getting the various components from the suppliers?

Periyasamy gets the various components from the suppliers as per the delivery commitments made by them.

5. What are the quantities of components that are available with Periyasamy as of now?

The quantities of components that are available with Periyasamy as of now are given in Table 3.

**Table 3. Stock in Hand at the Beginning of the Plan period for the Components of Mouse Assembly**

<b>Component</b>	<b>Numbers available as of now</b>
Mouse Assembly	100
Mouse Base Subassembly	50
Mouse Base	250
Saw Assembly	50
Spring	500
Wheel	450
Circuit Board	150
Gears	300
Cord	400
Ball Holder Subassembly	100
Ball Holder	150
Ball	125
Mouse Cover	100
Screw	400
Sticker Pad1	350
Sticker Pad2	350

6. Does Periyasamy have a Production Plan for the Assembling of the Mouse Assembly?

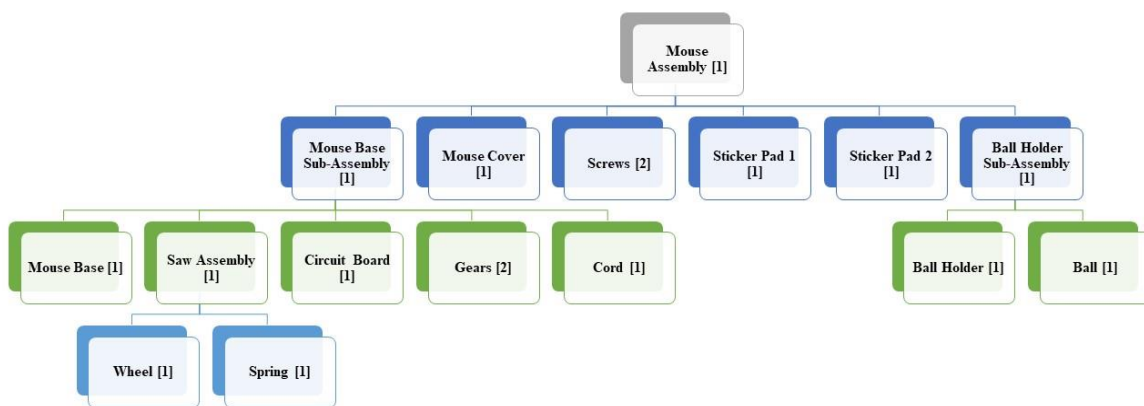
There does not seem to be any Production Plan available with Periyasamy

7. What is the Purchase quantity of each of the components that are required for the Mouse Assembly? When are they needed?

This can be answered only when a detailed Materials Requirement Plan is done for the Mouse Assembly

8. What is the Product Structure of the Mouse Assembly?

The Knowledge of Product structure is essential for developing the Materials Requirement Plan. The Product Structure graphically depicts the dependency relationships among various items that make up the final product. If a Product is disassembled progressively, we will be able to understand product structure. At the Level 0, there is the Mouse Assembly, which can be disassembled. At the next Level, the Level 1, there is a Mouse Base Subassembly, Ball Holder subassembly, Mouse Cover, Screw and Sticker Pads. At the next level, the Level 2, for the Mouse Base subassembly, there is a Mouse Base, Saw Assembly, Circuit Board, 2 numbers of Gear, and a cord. At the Level 2, for the Ball Holder subassembly, there is a Ball holder and Ball. As we further disassemble, at the next level, level 3 for the saw assembly, there is a spring and a wheel. The Product Structure of the Mouse Assembly is shown in Figure 1.



**Figure 1. Product Structure of Mouse Assembly**

9. What is the Bill of Material for the Mouse Assembly?

Bill of Material is a list of all items and the number of each item required to make one number of a Final Product. The bill of the material for the mouse assembly is shown in Figure 2.



Level	Component	Quantity
1	Mouse Assembly .....	1
1.1	Mouse Base Subassembly .....	1
1.1.1	Mouse Base .....	1
1.1.2	Saw Assembly.....	1
1.1.2.1	Spring .....	1
1.1.2.2	Wheel .....	1
1.1.3	Circuit Board .....	1
1.1.4	Gears .....	2
1.1.5	Cord .....	1
1.2	Ball Holder Subassembly.....	1
1.2.1	Ball Holder .....	1
1.2.2	Ball .....	1
1.3	Mouse cover .....	1
1.4	Screw .....	2
1.5	Sticker Pad1 .....	1
1.6	Sticker Pad2.....	1

**Figure 2. Bill of Material**

10. What is the Lead Time for the various components that are required for making number of the Final Product?

Lead Time is the Time between placing an order and receiving the material. The components from Kumaravel Natesan as received by Periyasamy per a schedule given. Hence, Periyasamy does not have to release an order get the components supplied by Kumaravel Natesan. Hence, the Lead Time calculation for these components is irrelevant in this context. However, for the other components, he must release an order to get the materials. The order quantity must be as specified by the supplier or as per some quantities arrived at by Periyasamy. The Lead Time is 7 Days for the circuit Board. The Lead Time is 14 days (about 2 weeks) for the Springs and the Wheels. The Lead Time is 7 days for the Mouse Base. The Lead Time for the screws and cords is Seven Days. The Lead Time is 14 days (about 2 weeks) for the Sticker Pads.

However, while developing the Materials Requirement Planning, Periyasamy must take into consideration the day and the quantity of components that would arrive from the 3D Printing facility of Kumaravel Natesan.

11. And finally, what is the Materials Requirement Plan for the Mouse Assembly?

A Materials Requirement Plan ensures that all the required materials are available in the required quantities to ensure that the Final Products are manufactured as per the Master Production Schedule. To prepare the Materials Requirement Plan, the Product Structure, Bill of Materials, Order quantities for each component, Lead Time of each of the component are needed. The data from these sources are required to prepare a Materials Requirement Plan which is shown in Table 4.

**Table 4. Data Required for Preparing the Material Requirement Plan**

<b>Component</b>	<b>Stock in Hand</b>	<b>Order Quantity</b>	<b>Lead Time</b>
Mouse Assembly	100	400*	**
Mouse Base Subassembly	50	400	***
Mouse Base	250	250	7 days
Saw Assembly	50	400	***
Spring	500	300	14 days
Wheel	450	300	14 days
Circuit Board	150	400	7 days
Gears	300	700	****
Cord	400	700	7 days
Ball Holder Subassembly	100	400	***
Ball Holder	150	300	****
Ball	125	300	****
Mouse Cover	100	300	****
Screw	400	600	7 days
Sticker Pad1	350	500	14 days
Sticker Pad2	350	500	14 days

\* Periyasamy can assemble 400 numbers of the Mouse Assembly in a day. Hence, we consider 400 as the order quantity.

\*\* Since, it takes only one day to assembly 400 numbers of the Mouse assembly, Lead Time is not relevant

\*\*\* Since, the subassemblies would be assembled along with the assembling of the Mouse Assembly, Lead Time is irrelevant.

\*\*\*\* 300 Numbers of Mouse Cover is received on Monday evenings, 700 Numbers of Gears, on Tuesday evening, 300 numbers of Balls on Wednesday evening, and the same number of Ball Holders on Thursday evening. Hence, Lead Time is irrelevant. However, if any more numbers are required, the same must be informed to Kumaravel Natesan at least before one week.

The Materials Requirement plan is prepared in the Excel sheet. Materials Requirement Plan consist of four items, namely, Projected Requirements, Scheduled Receipts, Stock in Hand, and Planned Order Release. The Master Production Schedule is referred as the Projected Requirements. The Scheduled Receipts refer to the quantity of items that are scheduled to be received as per the orders released or as per the agreement with a regular supplier. The Stock in Hand is the Stock available at the end of the Plan period after meeting out the requirements. Planned Oder Release refers to the numbers for which an order has to be released in order to receive the items to meet the projected requirements. The order quantity would be in multiples of the lot size agreed by the supplier. MRP helps in developing a plan for releasing orders to the suppliers based on the requirements and the Lead Time. This ensures that all the components and the number of each components required to meet the requirements of the market.

The Working for the Material Requirements Plan is done using MS Excel and is shown in a separate Excel file.

### **MRP for Level 0**

First, the MRP for Level 0 is worked out, followed by the MRP for the components in Level 1, followed by the MRP the components in Level 2, and finally for the components in Level 3. The Planned Order Release of Level 0 would become the Projected Requirements for Level 1. Similarly, The Planned Order Release of Level 1 would become the Projected Requirements for Level 2 and The Planned Order Release of Level 2 would become the Projected Requirements for Level 3.

**Details of MRP for the Mouse Assembly**

Since, the Mouse Assembly can be assembled in a single day, Periyasamy must ensure that all the components needed to make the Mouse assembly is available to him at the beginning of the day. Since, every Friday, He would assemble 400 numbers of Mouse Assembly, the same is mentioned in the Scheduled Receipt section of the MRP. The Planned Order Release mentioned for The Mouse Assembly would be the Projected Requirements for all the components in the Level 1 of the product structure that are required to make the Mouse Assembly. From the Excel sheet, Kumaravel Natesan need not supply components on the third and sixth week. Periyasamy must negotiate with Kumaresan Natesan and ensure that he does not supply any components on the third and sixth week.

**MRP for Level 1**

Now, it convenient to first develop the MRP for the components which are in the Level 1 of the product structure, supplied by Kumaresan Natesan.

**Details of the MRP for the Mouse Cover**

The Mouse Cover would be received by Periyasamy as per the schedule already shared with him by Kumaravel Natesan. The same is reflected in the MRP for the Mouse Cover under the Scheduled Receipt section. However, there is an extra requirement of 100 Numbers of Mouse cover in the second week and hence Periyasamy must negotiate with Kumaresan Natesan and ensure that he supplies 100 Numbers of the Mouse cover on the second week in addition to the scheduled numbers already planned. The same is also mentioned in the MRP for the Mouse Cover

Since, the Mouse cover is the only component in the Level 1 of the product structure, which is supplied by Kumaravel Natesan, we can develop the MRP for the other items appearing in the product structure

**Details of the MRP for the Mouse Base Subassembly**

The Mouse base subassembly is assembled along with the Assembling of the Mouse Assembly. Hence, the Scheduled receipts and the planned order release are mentioned in the same week. Since, Periyasamy would assemble 400 Numbers of the Mouse Assembly, he would also assemble 400 numbers of the Mouse Base Subassembly, hence the order quantity is mentioned as 400. However, the components which are required to make one Mouse Base Subassembly would have to be available on Friday. Hence, the projected requirements for those components would be mentioned accordingly. The Planned Order

Release is worked out and mentioned to plan for the components which are required to make the Mouse Base Subassembly. The Planned Order Release worked out for the Mouse Base Subassembly would be the Projected Requirements for Mouse Base, Saw Assembly, Circuit Board, Gears and Cord.

#### **Details of the MRP for the Screws**

Next, since the Screws are part of Level 1, the Materials Requirement Plan for the Screws is worked out now. The Screws are supplied in quantities of 600 and it takes one week to deliver the same, hence, the Lead Time is 1 week. The existing stock in hand at the beginning of the plan period is 400. Since two screws are required to make one number of the Mouse Assembly, the Projected requirements for Screws would be the twice the amount of the Mouse Assembly. Hence, note that instead of 400, 800 is the projected requirements. The MRP is worked out accordingly. Periyasamy must release an order for 600 Number of the screws at the week before the beginning of the plan period (Which is mentioned as Week 0 in MRP calculations). Also, he must release an order for 600 numbers on the first week, an order of 1200 numbers (two lots of 600, since the requirement is 800 for fourth week) on the third week, 600 numbers on the fourth week, 600 numbers on the sixth week and 1200 numbers on the seventh week of the plan period.

#### **Details of the MRP for the Sticker Pad1 and Sticker Pad 2**

Since, the Sticker Pads 1 and 2 are supplied by the same supplier and in the same quantity and hence the MRP for both the stickers would be the same. The Order quantity for the sticker pads is 500 and the Lead Time is 2 weeks. The Stock in Hand at the beginning of the plan period is 350. Based on the working of the MRP, an order for 500 numbers must be placed in week 0, week 3, week 4, week 6 and week 7.

#### **Details of the MRP for the Ball Holder Subassembly**

The Ball Holder Subassembly is assembled along with the Assembling of the Mouse Assembly. Hence, the Scheduled receipts and the planned order release are mentioned in the same week. Since, Periyasamy would assemble 400 Numbers of the Mouse Assembly, he would also assemble 400 numbers of the Ball Holder Subassembly, hence the order quantity is mentioned as 400. However, the components which are required to make one Ball Holder Subassembly would have to be available on Friday. Hence, the projected requirements for those components would be mentioned accordingly. The Planned Order Release is worked out and mentioned to plan for the components which are

required to make the Ball Holder Subassembly. The Planned Order Release worked out for the Ball Holder Subassembly would be the Projected Requirements for Ball Holder and Ball.

### **MRP for Level 2**

The Planned Order Release of the Mouse Base Subassembly which has been already worked out, would the Projected Requirements for the Mouse Base, Saw Assembly, Circuit Board, Gears, and Cord. The Planned Order Release of Ball Holder Subassembly would be the Projected Requirements of Ball Holder and Ball

### **Details of the MRP for the Mouse Base**

The Mouse Base is supplied by a fabrication unit in Ganapathy, Coimbatore. The Order quantity is 250 numbers and the Lead Time is 1 Week. The Stock in Hand at the beginning of the Plan period is 250. Based on the working of the MRP, an order for 250 numbers must be released in week 0, 500 in week 1, 250 in week 3, 500 in week 4 250 in week 6, and 500 in week 7.

### **Details of the MRP for Saw Assembly**

The Saw assembly is assembled along with the Assembling of the Mouse Assembly. Hence, the Scheduled receipts and the planned order release are mentioned in the same week. Since, Periyasamy would assemble 400 Numbers of the Mouse Assembly, he would also assemble 400 numbers of the Saw Assembly. Hence, the order quantity is mentioned as 400. However, the components which are required to make one Saw assembly would have to be available on Friday. Hence, the Projected Requirements for those components would be mentioned accordingly. The Planned Order Release is worked out and mentioned to plan for the components which are required to make the Saw assembly. The Planned Order Release worked out for the Saw assembly would be the Projected Requirements for Wheel and Spring.

### **Details of the MRP for Circuit Board**

The Circuit Board is supplied by a fabrication in Bengaluru quantities of 400 and in a weeks' time. Hence, based on the working of the MRP, Periyasamy must release an order for 400 numbers of circuit Board in Week 0, Week 1, Week 3, Week 4, Week 6, and Week 7.

**Details of MRP of Gears**

Gears are supplied by Kumaravel Natesan in quantities of 700 every Tuesday. The MRP calculations for the Gears indicate that Periyasamy must negotiate with Kumaravel to not supply the Gears on Seventh week. For the other weeks, Kumaravel Natesan can follow his delivery schedule.

**Details of MRP for Cord**

Cord is supplied by the supplier from Nanjappa Road, Coimbatore in quantities of 700 and in one weeks' time. Hence, based on the MRP calculations shown in the Excel sheet, Periyasamy must place an order for 700 numbers of cord on the week 1, week 3 and week 6.

**Details of MRP for Ball Holder**

The Ball Holder is a component required to make the Ball Holder Subassembly; Hence the Planned Order Release of the ball Holder Subassembly must be the Projected Requirements for the Ball Holder and ball. Kumaravel Natesan can deliver the ball holder as per his schedule, However, Periyasamy must release an order to Kumaravel Natesan to supply 50 Numbers of Ball holder in the Week 1 to get an additional 50 numbers of the same by week 2.

**Details of MRP for Ball**

The Ball is a component required to make the Ball Holder Subassembly; Hence the Planned Order Release of the Ball Holder Subassembly must be the Projected Requirements for Ball. Kumaravel Natesan can deliver the ball holder as per his schedule, However, Periyasamy must release an order to Kumaravel Natesan to supply 75 Numbers of Ball in Week 1 to get an additional 75 numbers of the same by week 2.

**MRP for Level 3****Details of MRP for Wheel**

Based on the calculations for MRP of the Wheel, Periyasamy must place an order for 600 numbers (Double the order quantity of 300) in Week 0, 300 in Week 2, 300 in Week 3, 600 in Week 5, and 300 in Week 6.

## MRP for Spring

Based on the calculations for MRP of the Spring, Periyasamy must place an order for 300 numbers in Week 0, 600 (Double the order quantity of 300) in Week 2, 300 in Week 3, 300 in Week 5 and 600 in Week 6.

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## Lean Implementation Case in an Indian SME

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Shramp Engineers Private Limited (SEPL) is an SME situated in the state of Telangana. It was started by a first-generation entrepreneur with a MBA in finance management. SEPL is in the business of manufacturing finished forging components for automotive and construction industry. The input raw materials are steel bars ranging from 20 mm to 80 mm diameter. The input materials are converted through forging process in a 1600 ton press. This machine happens to be critical equipment in view of its huge capital investment. The sequence of operations are cutting steel bars, induction heating, forging, trimming, normalizing through heat treatment furnace, shot blasting, drilling for assembly, zinc plating and packing before dispatch.

The industry experienced challenges in its on-time performance and profit margins. On-time performances for this unit was hovering around 50% which itself are a big barrier for its existence and growth. Profit margins due to frequent raw material increase are another huge challenge for this unit. The entrepreneur has embarked on process improvement to address these two concerns. He has identified an external expert to implement lean methodologies to improve the processes. Lean experts have identified that on an average 4.4 hours or 15994 seconds were consumed during change over for product models. It was observed that more than 25 such changeovers were happening every month. This constituted roughly 55% of the machine availability time in a month on a single shift basis. It works out to 110 hours /month ( $25 \times 4.4$ ) out of the availability of 200 machine hours ( $25 \times 8$ ) / month.

Lean tools such as cause and effect diagram, SMED (Single minute exchange die) tool, 5S, SOP, Muda, Muri, Mura, 5W, Spaghetti diagrams were deployed to address the reduction in change over time from 4 hours 20 minutes to 1 hour and 28 minutes. This reduction time for changeover has improved the productivity by 66.86%. This also resulted in on-time performance from 50% to 86.21%. As a result of improved machine availability time, turnover increased by Rs 3.25 crores per annum. Correspondingly profit improved by

Rs 65.17 lacs / annum. Incidentally, the inventory carrying cost of Rs 4.19 lacs/ annum as an additional benefit resulted out of this exercise.

## **Introduction on Lean**

Government of India has fixed an ambitious target of reaching 5 trillion USD economy by 2025 (Statista, 2021). Today manufacturing and service sectors are facing severe threat in meeting the demands of the market in terms of quality, cost, and delivery. These demands are growing day by day as the competitions are getting more intense. To address this lean management deployments comes in handy which is a scientific method to meet all the demands of the market (Eti et al. 2004; Chand and Shivani, 2000; Sun et al. 2003; Prado, 2001).

The present trend in terms of technological revolution and managerial philosophies deals with the following. Technological resolution takes care of telecommunication, new information system, machinery, automation, and robotics whereas management philosophies are to focus on internal processes and organization. Transformation of the changeover process to be quick to decrease the non-operational times and therefore achieve more productive production time Single Minute Exchange of Die (SMED) invented by a Japanese Industrial Engineer has been a major breakthrough of internal processes in Toyota Industry Shingo (1986). He has systematically analysed the sequence of process in a changeover setup time. This means the time between the last product series and producing the first product of the new series that meets all quality parameters. This change overtime which is a waste in a manufacturing process is called nonvalue added activities because changeover time does not make change in productive results in an industry even though it is a needed activity (Deros et al. 2011).

However, the sciences after SMED concept, which do not mean actually a single minute exchange die. In reality not possible except for very simple change over. This of course is not very common. But SMED means, the changeover to complete in less than 10 minutes flat (i.e. single digit). SMED is one of the steps to proceed to become a world class manufacturing organization. An auto component set up has given in detail the positive effect of reduction in change over set up time. Changeover set up time reduction in some cases are as high as 85% (Gilmore and Smith 1996). Lack of '5S' standardized work system is some of the main factors affecting the changeover in setup time. Ohno (1988), President of Toyota has brought down the changeover time in a die changeover process from 1 day

to 3 minutes in 1950. SMED is a process innovation, and the corresponding benefits are immense (Hall 1983; Womack et al. 1990; Hay 1987).

Leschke (1997) looks at the economic costs and the tangible benefits in different types of Single Minute Exchange Die activity. Van Goubergen and Van Landeghem (2002) compiles a list of 60 different organizations and their case studies on changeover setup time and described the sequences followed on different activities improving reduction time. According to (Dahlgaard and Dahlgaard-Park 2006) there are eight kinds of waste in Lean Manufacturing system, and they are: waiting, overproduction, rework, motion, over processing, inventory, waste of intellect, and transportation.

One observation from SEPL was waste was predominant in the changeover process in a forging machine. This machine is the most critical machine in the industry and there is no substitute to this and therefore setup changeover reduction happened to be a top priority.

Another priority in awareness in early 1980s of Japanese manufacturing practice that the focused effort by shop floor personnel can enhance the capability in manufacturing (Schirose 1992; Soeda 1991; Wickens 1987). This has become the most contributing factor in the modern management techniques (Karlsson and Ahlstram 1996; Dawson 1994). If SMED is applied to bottleneck area, it has its value to improve the capacity availability. Instead, if a non-bottleneck area is concentrated then it will not make any progress to the industry because the resources are already idle (Kim et al. 1995; Shingo 1986).

### **Approach to the Problem**

This case study is from SEPL a forging industry. Forging industries in SME sector are facing acute competition and always fighting for its profit margins. Again they have issues on On-time-delivery performance and in this case, it is only 50%. This study is to focus on productivity, profitability. On-time performance through application of SMED tool. The organization aiming for SMED deployment shall have to verify the following for implementation. Strong team to be assembled to carry out the targets fixed. Study quality and machine set up time as they are closely linked to the machine design. The team leader at SEPL is assigned with the responsibility of leading the team and meeting the desired goals.

Team member 1 will be the setup operator who conducts change over.

Team member 2 will note down all the elements in the setup and record.

Team member 3 will take photograph of all setups.

Team member 4 will take video film of the entire process.

Team member 5 the time recorder who records every activity.

Team member 6 will draw Spaghetti diagram on the path travelled by setup operator.

We can arrive at a solution, based on the cost incurred and the setup time reduction it is more relevant for organization to deploy SMED techniques as with little investment reduction to a level of 60% to 70% achievable in any industry. (Kusar 2005; Shingo 1985) splits the changeover setup operation into two main categories.

- (1) Internal setup: This means any setup changeover that can be done to the machine when the machine is shut down.
- (2) External setup: This means any setup on changeover that can be done prior to shutdown of the machine.

Cakmakci (2009) emphasized the following three main steps to be activated in a Single Minute Exchange Die operation. They are:

**Step 1:** Ask question at this stage as to whether the activities in a setup changeover can be done before the machine is stopped.

Answer to this will take care of 30% to 50% segregation to external setup from the internal setup.

**Step 2:** Convert internal setup activities to external setup activities using 5S/SOPS improvement to Jigs/Fixtures arranging them may be required at this stage.

**Step 3:** Streamlining all operations and make SOPS updated, further improvement by brain storming.

The result of the above is illustrated in the Figure 3 below at the conceptual stage.

<i>Stage</i>	<i>Activity</i>	<i>Time</i>	
Before Single Minute Exchange Die	All activities are after the machines stopped. All setup time are internal	Total Changeover	
Step 1	Identify and segregate activities can be shifted to external setup duration	Internal	External

Step 2	Review again and conduct 5W analysis CE analysis to improve external setup time as many.	<b>Internal</b>		<b>External</b>	
Step 3	Simplify further can bring down both internal and external activity.	<b>Internal</b>			<b>External</b>

Source: Faccio et al. (2013)

Figure 3 Single Minute Exchange Die at conceptual Stage

The following tips were applied before embarking the SMED project:

- (a) Video graph of the present setup before changeover analysis is performed.
- (b) Use a check list.
- (c) Perform function checks.
- (d) Improve die transportation
- (e) Prepare operating conditions in advance.
- (f) Standardization of functions (Andon)
- (g) Use intermediate Jigs
- (h) Streamline every aspect of setup activities
- (i) Storage of blades, Dies, Tools, Jigs, Gauges properly (5S)
- (j) Implementing parallel operations
- (k) Eliminate adjustments
- (l) Mechanization

(Kumar and Abhuthakeer 2012)

Please take a few minutes to respond to the following questions on this case.

1. What according to you are the qualities required by an Indian SME practitioner to adopt Lean methodology in his/her industry?
2. What according to you are the challenges in a service industry in meeting on-time performance? Suggest areas in hospitality, health care sectors where lean methodology tools to be addressed as an important element. If so why?
3. What could be the possible five barriers for an Indian SME to adopt lean methodologies from the point of view of both employees and entrepreneurs each?
4. Apart from the given case study as above do you recommend any other critical areas to be addressed in Indian SMEs to compete globally?

5. The entrepreneur in SEPL is an MBA in finance. What challenges/advantages that he has in running this engineering industry into a profitable enterprise.

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## **Softer, Crunchy and Juicy from Shimla to Chennai!**

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### **Abstract**

This Case is written to explain the concept and techniques behind using Value Stream Mapping. Value Stream Mapping is a popular technique for delivering better value to the customers and is extensively used in Manufacturing scenarios. However, there are many who have used Value Stream Mapping for service scenarios too. This case maps the movement of Apples from Shimla to Chennai to illustrate the use of Value Stream Mapping as an effective Lean technique to provide Softer, Crunchy and Juicy Apples!

### **Softer, Crunchy and Juicy from Shimla to Chennai!**

#### **A Primer to the Case....**

#### **Characters**

Matheswaran – Logistics Manager of a heating element manufacturer based in Chennai.

Rajmohan – Factory Manager of a heating element manufacturer based in Chennai.

Rajiv Gupta – Intern of a heating element manufacturer based in Chennai

Muthuramalingam – Store manager in Kovai Palamuthir Nilayam

D Manivanan - Fruit Wholesale agent in Koyembedu market

Joshua Padmasingh - Fruit Wholesale agent in Koyembedu market

Ashok - Quality Engineer of a heating element manufacturer based in Chennai

Matheswaran works in the logistics' division of a heating element manufacturer based in Chennai. He is responsible for planning, coordinating, and monitoring logistics operations such as transportation, inventory, warehousing, and supply chain processes. He is responsible for ensuring that the right products are delivered to the right location on time, to the quality required and in the most cost-effective way. He also oversees the distribution



and transportation of goods from the manufacturer to the consumer. He monitors quality, quantity, delivery times, and transport costs. And negotiate rates and contracts with the transportation and logistics providers. The major part of his job is to recommend optimal transport modes, routes, or frequency. The IT department supports Matheswaran in ensuring an effective tracking of the various items being transported and stored. To be effective in his job, he has to manage, coach, and develop a high-performance team. He also must set the departmental objectives, track Key Performance Indicators, and assess the performance of the team based on the identified Key Performance Indicators. He is also responsible for developing and maintaining strong relationships with all connected with the logistics process.<sup>1</sup> He reports to Rajmohan, the factory manager.

Rajmohan has more than fifteen years of shop-floor experience. He had started his career with a small pump manufacturer in Coimbatore and had grown to become the factory manager through his commitment and a good attitude. Rajmohan was technically very sound and had clear knowledge of Product Development, Manufacturing Engineering, Shop floor Management and Quality Processes. Almost eight years back he had obtained a Black Belt in Six Sigma Methodologies from the American Society for Quality (ASQ). Since then, he was actively involved in the activities of the Chennai Chapter of ASQ. Rajmohan had contributed to developing study materials used by the members of ASQ for the various certification programmes.

Whenever Matheswaran needed any clarifications about his job, he would approach Rajmohan. He had always counted on Rajmohan to be his mentor and guide. During the first week of December, on a surprisingly rainy day in Chennai, Matheswaran had gone to the Kovai Palamuthir Nilayam to buy his weekly requirement of vegetables and fruits. Matheswaran's wife was keen on buying vegetables and fruits only from Kovai Palamuthir Nilayam. She always found that the vegetables and fruits in Kovai Palamuthir Nilayam were fresh. However, for the past two months, she noticed that the Apples were not as fresh as she had wished them to be. "*Why are the Apples not fresh*" She asked Muthuramalingam, the store manager. Muthuramalingam knew Vasanthi well and usually would attend to her needs well. However, he deftly avoided her query and moved on, wondering, "*If only I had known the answer.*" Now, on a lighter note, she asked Matheswaran, "*Now, do you have an answer for this?*" As a logistics manager, Matheswaran was now caught in a tight corner. He too deftly avoided the question and moved on to buy the usual glass of Pomegranate juice that they drink every time they visit Kovai Palamuthir Nilayam.

The very next day, while having lunch in the executive section of the factory, Matheswaran met Rajmohan, “*Hi, I would like to meet you in your cabin. Can I come around 4:00 PM*” asked Matheswaran. Rajmohan said, “*Sure, you can meet me in my cabin at 5:00 PM today*”. Matheswaran had met Rajmohan in his cabin and told him about the incident in Kovai Palamuthir Nilayam and said, “*I should find out about the movement of Apples from farm to fork*”. Rajmohan suggested that they could ask intern Rajiv Gupta to help them in finding out about how Apples are moved from farm to fork.

Rajiv Gupta had joined the factory as a Logistics Intern. He was pursuing his Bachelor's Degree in Business Management with Logistics as a specialization. The logistics skill council had tied up with various colleges in Chennai to create enough skilled workforce for the Logistics Industry. The logistics skill council also arranged internships for students with manufacturers in Chennai. The internship was for a period of six months with a decent stipend.

However, Matheswaran had a question to Rajmohan, “*Is it enough just to find about the movement of Apples from farm to fork. Will it help my wife get fresh, juicy and crunchy Apples?*” Rajmohan answered, “*If we can collect sufficient data from the market, we can certainly do something about ensuring fresh, juicy and crunchy apples*”. Matheswaran had asked Rajiv Gupta to meet him and Rajmohan at the seminar hall in the Training division of the factory on Wednesday evening 5:00 PM.

During the meeting, Rajmohan briefed Rajiv Gupta on collecting data about the movement of Apples from farm to fork. He gave a list of things to be done by him. The list of things to be done by Rajiv Gupta as instructed by Rajmohan is given in Figure 1.

#### Things to Do – As Instructed by Rajmohan to Rajiv Gupta

- Find out details about Apple growing areas in India
- Find out details about the facilities available for farmers in the Apple growing areas to harvest, auction, store and transport Apple to the markets across the country
- Find out the details of how the Apples are packed
- Find out details of how the Apples are transported from the Apple growing areas to Tamil Nadu
- Find out details of who are intermediaries involved in the movement of harvested Apples from the Apple Growing areas to the markets in Tamil Nadu
- Find out details of storing facilities for Apples available in Chennai
- Find out how the Apples are moved to various markets in Tamil Nadu from Chennai
- Any other information deemed fit to study the movement of Apples from farm to fork

Figure 1: Things to Do as instructed by Rajmohan to Rajiv Gupta

Matheswaran had earlier worked with the sales department of a multinational company which specialized in providing logistics for perishable goods. Hence, he had known few major fruits commission agents in Koyambedu, the hub for fruit distribution in Chennai. There are two major Apple Wholesale agents in Koyambedu, namely DMC Fruits and Arul Traders. DMC Fruits is now owned and managed by D Manivanan and Arul Traders is now owned and managed by Joshua Padma Singh. Manivanan belonged to a family of traders who had migrated to Chennai from Dharmapuri district almost a hundred years back. His grandfather had started the fruit business in Kothavalchavadi. Joshua Padmasingh belonged to a family of traders from the town of Nazareth in the Thoothukudi District. *“You should meet both D Manivanan and Joshua Padmasingh. They would give you Tonnes of information needed for us to study the supply chain of Apples from Shimla to the nook and corner of Tamil Nadu”* said Matheswaran to Rajiv Gupta.

As a Logistics manager, Matheswaran too realized the importance of certain factors to be considered to study the movement of Apples from farm to fork. The factors identified by Matheswaran are given in Figure 2.

## Factors identified by Matheswaran

- Demand Management for Apples
- Harvesting of Apples
- Segregation of Apples
- Packaging for Apples
- Methods of Packaging
- Stacking of the Packaging in the Vehicles transporting the Apples
- Presence of warehousing facilities in the areas where Apples are grown
- Presence of warehousing facilities in the markets where Apples are sold
- Presence of cold chain
- Transit time of Apples from the farm to the market
- Role of Wholesalers, Commission Agents and Retailers
- Role of Infrastructure facilities for the Wholesalers, Commission Agents and Retailers
- Role of transport facilities available with the Wholesalers, Commission Agents and Retailers

Figure 2. Factors identified by Matheswaran

Matheswaran too identified a set of questions which he shared with Rajiv Gupta. Matheswaran categorized the questions to make it convenient for Rajiv Gupta to collect the relevant information. The questions are stated below.

### General Information

1. What are the harvesting seasons for apples and how much is the yearly produce of Shimla Apples? What are the challenges faced in harvesting as a process?
2. When and where does segregation happen? Is it done only in terms of size? What are the challenges faced in the segregation process?
3. Is packing a standard after segregation? Or moved in loose? What are the challenges faced in packing?
4. How many layers or levels of agents or middlemen are involved before the produce reaches the market? What are the challenges in transport?
5. By the time it reaches the market or distributors what are the challenges due to transport?
6. What are the challenges between the travel of the fruit from distributor to retailer to the end consumer? Is there any value addition?

#### Information regarding Harvesting

1. How much time does harvesting take for an acre of land?
2. How many apples or kgs of apples turn up from an acre of land?
3. How much man power is used for harvesting a single acre of land generally?
4. How much time is used in value addition - picking and dropping into the basket?

#### Information regarding Segregation

1. How much time does segregation of the single acre produce take?
2. How much time is spent in value addition if any?
3. How much man power is used for harvesting a single acre of land produce?

#### Information regarding Packaging

1. How much time does it take to pack the apples harvested from an acre?
2. How much time is spent in value addition if any?
3. How much man power is used for packing a single acre of land produce?

#### Information regarding Transportation to Wholesale Agents

1. How much time does transport of the single truck produce take from Shimla produce through all the layers up to agent?
2. How much quantity is loaded in a single truck?
3. What type of truck is used generally?
4. How much time is spent in value addition if any?
5. How much man power is used for transporting a single truck of produce?

#### Information regarding Transportation to Distributors

1. How much time does the transport of the single truck produce take from Shimla produce through all the layers up to market?

2. How much quantity is loaded in a single truck?
3. What type of truck is used generally?
4. How much time is spent in value addition if any?
5. How much man power is used for transporting a single truck of produce?
6. Information regarding Transportation to Retailers and end customers
7. How much time does transport of the single truck produce take from Shimla Apples through all the layers up to retailer and end customer?
8. How much quantity is loaded in a single truck?
9. What type of truck is used generally?
10. How much time is spent on value addition if any?
11. How much man power is used for transporting a single truck of produce?

#### Information regarding Inventory

1. How many days does it take between harvesting and segregation?
2. How many days does it take between segregation and packing?
3. How many days does it take to pack and send to local agents?
4. How many days does it take between the local agent and Koyambedu market?
5. How many days does it take between market and retailer/street vendor?
6. How many days does it take between retailer/vendor and consumer

Armed with a battery of questions in his mind, first, Rajiv Gupta started to do his desk research. “Oh. *There are so many things involved in the simple Apple that I eat,*” wondered Rajiv Gupta. Nevertheless, He was excited to start the project of mapping the movement of Apples from Kashmir/ Himachal Pradesh to the Dinner tables in the houses of Tamil Nadu.

The Desk research done by Rajiv Gupta is summarized in the ensuing paragraphs.

Apple is largely grown in Himachal Pradesh and Kashmir. Apple is the principal cash crop of Himachal Pradesh grown principally in the districts of Shimla, Kinnaur, Kullu, Mandi, Chamba, and some parts of Sirmaur and Lahaul-Spiti with an average annual production of five lakh Tonnes and per hectare production of 8 to 10 Tonnes<sup>2</sup>. The 6,000-crore apple economy of Himachal Pradesh is the major source of income for 1.75 lakh families. Apple is produced over 1.25 lakh hectares in the state with a productivity as low as 3-4 Tonnes per hectare.<sup>3</sup>

The Apple growing industry is the biggest industry in Kashmir to the tune of around Rs 10,000 crore and provides livelihood to around 3.5 million people in the region. The annual production of Apples in the Kashmir Valley ranges from 1.5 million to 1.8 million metric tons and the total cold storage capacity in the Valley is 1.20,000 to 1.30,000 MTs.<sup>4</sup>

Armed with the questions raised by Matheswaran and the instructions given by Rajmohan, Rajiv Gupta met Joshua Padmasingh and D Manivannan on the 23<sup>rd</sup> of December, just two days before Christmas. The incessant rain was only making Rajiv's efforts much more difficult.

Both D Manivannan and Joshua Padmasingh were courteous to Rajiv Gupta. In their entire life in the fruit business, they had never come across a student who was interested in knowing about the movement of Apples from source to destination. Though the dirty surroundings of the Koyembedu market was a huge put-off for Rajiv, he was pleasantly surprised to see that both the Wholesale agents had fully air-conditioned rooms for discussion. For the entire day, Rajiv Gupta interviewed the two owners and spoke to a few of the employees. As he was returning home, he wondered, *“One of the days, I too should start a business in Koyembedu. These owners have all the latest electronic gadgets which they use for their business and they are as sophisticated as the top executives of large multinational companies. Yes, Koyembedu is not just what we see in the exterior. There is a very sophisticated interior to it too”*.

Rajiv Gupta summarized the key take-aways from the interviews as follows.

Apples are grown in Himachal Pradesh and Kashmir. Among the two, the Apples from Himachal Pradesh are softer, crunchier, and juicier. These apples are known as *Delishion*, a term that is used in the trade circles to refer to Apples from Himachal Pradesh. The word Himachal Pradesh was usually replaced with Shimla. A Shimla Apple would be

referring to an Apple harvested in any place in Himachal Pradesh. The cutting period (the harvesting period) is usually between August and October. There are more than fifty varieties of *Delishions*. The Apples from a higher altitude are considered better than the ones cut from the lower sides of the hills in Himachal Pradesh. According to the two wholesalers the biggest problem faced by the farmers was that of the wastage of Apples. Apples being perishable in nature, farmers are not all able to sell all the Apples that are cut from the trees. However, for the past few years, there are quite a few Controlled Atmosphere Cold Storage (CATMOS) that have been set up with the support of the Government of Himachal Pradesh. These help the farmers in maintaining the Apples in the same condition that they were cut. However, these Cold Storage are only few. Also, Himachal Pradesh does not have enough Warehouse facilities to store the substantial number of Apples that are cut during the season.

It is interesting to note that the Apples that are cut in the early part of the season command a better price than the ones cut towards the later part of the season. A farmer would need at least ten workers to cut the Apples grown in an acre of cultivated land. Once the Apples are cut, farmers pack them in Boxes. Also, the farmers segregate the Apples based on Grade and Size as A, B and C (This ABC Classification has no relationship with the ABC Classification one gets to study in inventory management). However, the Classification of A, B and C only refers to the various sizes of the Apples. A refers to Larger Apples and C refers to the smaller ones. There are local markets (Mandi) in Himachal Pradesh where the farmers bring their Apples to sell. A Box of Apple would usually weigh around 50 Kilograms. If there is no demand for the Apples in the Mandi, farmers would store them in their farms. Few lucky ones would have the luxury of storing them in the CATMOS.

Once the farmer sells his Apples through the Mandi that are spread across Himachal Pradesh, the Apples are sent to the various wholesale agents across the country in twenty feet vehicles. The Lorries that carry Broiler Chickens and Eggs from the Namakkal District to the North India are used to send the Apples in their return journey. There are many Lorry operators based out of Thiruchengode who send Broiler Chickens and Eggs from the Namakkal District and when returning these trucks bring Apples to Koyembedu. These trucks would be designed to carry 15 Tonnes of Apples in a single journey. Till a few years back, the Wholesale agents from Koyembedu would purchase Apples from the Delhi Market. However now, most of the Purchases by the Wholesalers in Koyembedu market is



done from the Mandis of Himachal Pradesh itself. Now a days, due to better road connectivity, it takes around six days for the Apples to reach Koyembedu from Mandis in Himachal Pradesh. A few years back, it used to take around 10 to 11 days (about 1 and a half weeks) for the same journey. The Apple merchants and the farmers must only thank the visionary leadership of former Prime Minister, Atal Bihari Vajpayee during whose tenure the project for the Golden Quadrilateral was started.

Once the Apples reach the Godowns of the Wholsaler Agents in Koyembedu, the very next day the Apples are despatched to the small wholesalers spread across the Districts of Tamil Nadu. All the districts of Tamil Nadu have small wholesalers who then distribute the Apples to the retailers the very next day. The big Wholesale agents in Koyembedu have access to Cold Storage facilities, where they do store the Apples for a maximum of 3 to 4 days as and when it is required to do so. The Apples are sent to the various districts in Tamil Nadu in trucks of six to seven Tonnes capacity. Tata Ace, the *Kutti Yanai* as it is popular called is the most used vehicle for this. The Small Wholesale agents in Chennai usually collect the Apples from the Godown owned the agents who got it from Himachal Pradesh and distribute them to the nook and corner of Chennai.

After the new year celebrations, the very next day Rajiv Gupta submitted his report to Matheswaran. *“Sir, I have also given the details of the exact time and the locations with respect to cutting, packaging, and selling of Apples that happens in Himachal Pradesh. The same has been mentioned for the journey of the Apples from the wholesalers to the retail outlets spread across the state of Tamil Nadu”* said Rajiv Gupta to Matheswaran.

A few days later around six in the evening, Rajmohan convened a meeting with Matheswaran, Rajiv Gupta and Ashok, the Quality Engineer. Rajmohan had read the entire report submitted by Rajiv Gupta. *“Now, this is a class problem where we can apply Value stream mapping to find solutions to the question raised by Matheswaran’s Wife”* said Rajmohan. Ashok agreed to it. But, he wondered, *“I have done Value Stream Mapping only for improving the Process in manufacturing”* wondered Ashok. *“The principles of value stream mapping that is used to enhance the processes in manufacturing can be applied also to study the process of the movement of Apples from the farms in Shimla to the Dinner tables in Tamil Nādu”*. Meanwhile, *“Do I have to spend another fifteen days to understand Value Stream Mapping and submit a report”* wondered Rajiv Gupta.

*“Guys, time to set the ball rolling, we will do the Value Stream Mapping and help the Farmers, Wholesalers, Retailers and Ladies at home give us softer, crunchy, and juicy Apples”* claimed Rajmohan. Again, *“How many more questions will I get?”* wondered Rajiv Gupta. As if Rajmohan could hear that, he said, *“Rajiv, this time, I am not going to give questions to you, rather I would have them shared with Ashok. However, you should read some basic stuff related to Value Stream Mapping. You can take the study material on Value Stream Mapping that I had prepared for ASQ. It is available in the small library that we have near the Purchase Department. Also, you can draw the process map of the movement of the Apples from the farms of Himachal Pradesh to the dinner tables in Tamil Nadu”*.

Rajiv Gupta recollected what Joshua Padmasingh had told, *“When customers are willing to pay 1000 rupees for a kilogram of sweets, they would not hesitate to pay the money fixed by us if only we could deliver the Apples in the same softer, crunchy and juicy form that it is available in Himachal Pradesh. I am sure you have not eaten such Apples here in Chennai”*

Meanwhile Matheshwaran received a call from Vasanthi, *“When are you coming home? We must go to the Kovai Palamuthir Nilayam to purchase vegetables and fruits. And better Muthuramalingam be prepared with the answers on why the Apples are not fresh. Anyways, you were clueless about it”*. Matheswaran shared the words told by his wife to the others and all had a loud, unrestrained burst of laughter

### **Instruction**

Imagine that you are Rajiv Gupta, and come prepared with the process map of the movement of the Apples from Himachal Pradesh to the dinner tables in Tamil Nadu. Also, do not forget to do your reading on the fundamentals of Value Stream Mapping. You can refer to the Books mentioned in the course outline. Let us work to get softer, crunchy, and juicy apples!

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## The Challenging Journey of OEMs to Drive Electric 2 wheelers from Research & Development to Ride on Roads: Indian Context

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### Abstract

This case study is about the challenging operations that Original Equipment Manufacturer (OEM's) in the space of electric 2 wheelers manufactures are facing serious barriers in the present business environment, despite of support from Ministry of Heavy Industries - Government of India, in financial support to drive the sales & encourage the citizens to use Battery operated 2 wheelers. The efforts involved by the OEM's in manufacturing a new model of electric two-wheeler includes huge investment on research & development to get the product approved by International Centre for Automotive Technology (ICAT) or Automotive Research Association of India (ARAI) generally take 2-3 years to enable the product in the market to the customers. Despite of this long duration & huge investment OEM's are facing major challenges in importing electronic components and parts from China as the customs duties are being hiked by the government as to boost the local manufacturing but still the cost of electric components such as Electric power Control Unit, Motor, Convertor, Battery & Charger costs high in India as compared to the components that are imported from China. In consumer prospective the barriers to adopt E2W (Electric 2 Wheelers are premium pricing, battery range anxiety, charging infra, after sales services and spares availability at local market. A systematic approach is needed to drive the adoption of Electric 2 Wheelers on large scale to achieve the goals of National Electric Mobility Mission Plan (NEMMP) 2020. The outcomes of this case study focus on the four major challenges such as regulatory atmosphere, EV business as profitability, Charging Infrastructure & customer acceptance.

**Keywords:** *Electric Two Wheelers, Electric Power Controller, Controller, Battery & Charger*

## Case Introduction

In result to progressively stiff CO<sub>2</sub> regulations and the estimated penalty for noncompliance, the majority automotive players are striving for electric vehicles growth plans as OEM's had announce by 2025, 600 new electric vehicles models will be launched in India and competition is most likely to grow as new players come into market. Greater than ever the sale of new electric vehicles is increasing as the fuel prices hiked. OEM's might find it further complicated to make profits if subsidies are not allocated or reduced by the government as technology advance. Government of India in association with Department of Heavy Industries is continuously supporting the electric mobility to reach the goals of National Electric Mobility Mission Plan (NEMMP) to achieve 30% plug in vehicles by 2030 in order to reduce the carbon foot prints across the country. The great momentum in EV centric is going to witness in 2022 considering the multiple factors. To achieve the goals set by NEMMP under FAME 2 (Fast Adoption and Manufacturing of Hybrid and EV) government of India has allocated Rs10,000 Crore for a period of 3 years commencing from 1<sup>st</sup> April 2019 to drive the sales of 10 Lakh electric two wheelers under subsidy scheme to the customers which gives subsidy on cost of the battery, reduction in GST rate for electric vehicles from 12% to 5% and tax exception under Section 80 EEB up to Rs1.5 lakh loan taken to purchase electric vehicle to the customers. As on Jan 2022, 195632 units of 2-wheeler vehicles sold which is 20% of the target set under FAME 2. Despite of all these support from the government to drive the electric mobility still customers faces major challenges in terms of availability of spares at local market, GST on spares ranges from 18% to 28% , High cost battery, lack of charging infra, long time to charge the battery, standardized charging sockets, poor road conditions and non-availability of service after sales due to the non-availability of spare parts on time and in case of under warranty claims the idle wait time is higher.

The case is structured to achieve the following objectives:

1. Understanding the importance of standardize technology in battery chemistry & charging sockets.
2. Importance of charging infrastructures to drive the masses at large to use battery operated vehicles
3. Understanding the importance of pricing of 2-wheeler electric scooters & necessary changes in GST on spares.

### **Technology drawbacks in Electric Vehicles**

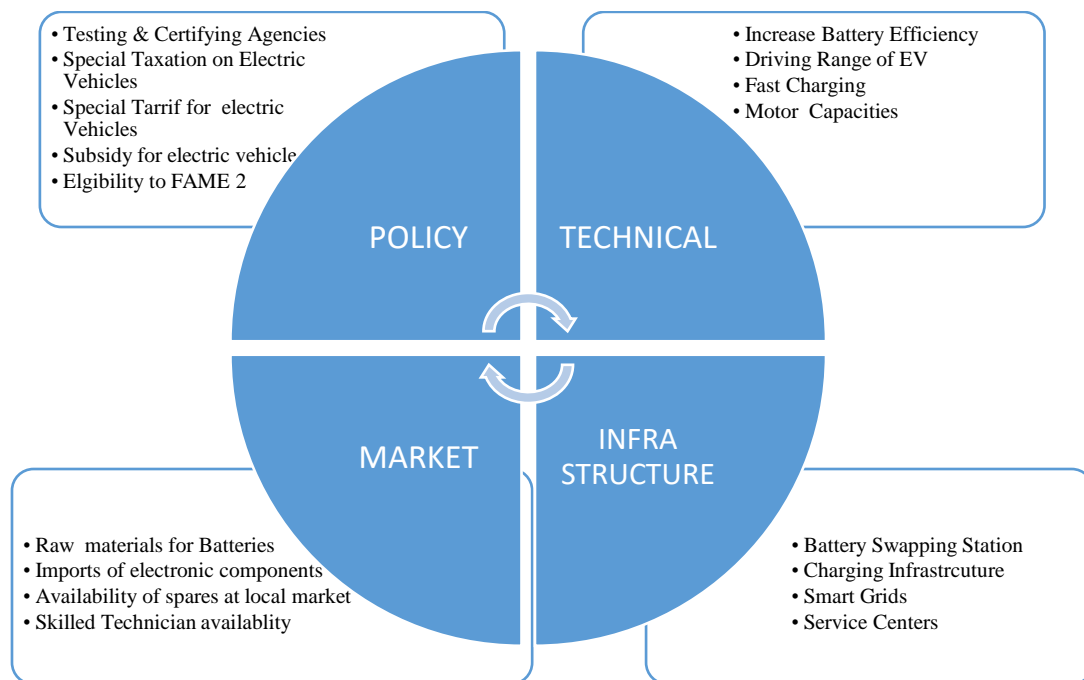
Currently under FAME 2 subsidy only Li-ion Battery 2 wheelers are eligible to get subsidy due to increase in energy density and high voltage cells. Hence all the lead acid configured batteries had shifted to Li-ion battery to full fill the guidance of FAME 2. Majority of the Battery manufactures are now investing in Li-ion battery manufacturing setup which is expensive at this moment as majority of the battery components such as lithium iron disulphide, Lithium-manganese dioxide Lithium Cobalt Oxide Lithium Manganese Oxide and Lithium Iron Phosphate are imported for production. Due to this the cost of the batteries are expensive and the same is subsidized in the FAME 2 Scheme, However the life span of these batteries would be 2 to 3 years and after 3 years of use it is expected to spend Rs40000 for 2KW Battery which is 45% of the new vehicle cost. Currently there are different charging sockets to different electric scooters as per the tie up with the battery manufactures. Due to this everyone has to carry their own chargers and not suitable in common to all.

### **Government Interventions in Pricing & Charging Infrastructure**

To drive the sales and adoption of electric vehicles usage the central government had taken many initiatives along with the state governments to contribute for subsidy so that the price of the electric scooters will be affordable to the economy class people. To empower faster adoption FAME 2 subsidy & state level subsidy in few states are given to scale the number of registrations, GST reduced to from 12% to 5% of purchase of new vehicle however the cost of spare and servicing seems to be expensive as GST varies from 18% to 28% which is very high in customer point of view. Charging system rollout has been accelerating, but accessibility is still limited particularly for high-speed charging station. Flawless & convincing charging experience is not extensively available due to market fragmentation. Critical enablers in the EV sector is still missing for scale up EV after sales and part operation, including battery recycle and re-usage capability. ICAT (International Centre of Automotive Testing) & ARAI (Automotive Research Association of India) has to determine standardize charging sockets to all the OEMs so that it will be easy to setup charging infrastructures in all the public parking's and on the national highways.

## Focus

### New eco system to drive the two-wheeler electric vehicles usage



**Figure: 1**

## Suggestions

### Policies

Central & State governments has to reduce the GST by 2% on new purchased electric vehicles and on Spares & Electronic components GST to be fixed at 5% current tax ranging between 18% to 28% till the eco system gets standardize. All the states must grant permission for exemption of road taxes until the electric vehicles eco system gets standardize and allocate special incentives likewise the central government FAME scheme. Till the eco system gets stabilized in terms of research and development, ancillary units support for electric vehicles in manufacturing the spare parts Department of Heavy Industries must allow other manufactures to enter into FAME 2 as the current rules of FAME 2 is allowing only for the manufactures whose parts of the electric scooters are 100% manufacturing in India.

## **Technical**

Innovation in the space of battery manufacturing has to scale up 10X times so that the myth in range of the battery can be eliminated in the mind of the customers. Driving range of the electric two wheelers must be standardized to 150 Kms per charge by all the OEM's (Original Equipment Manufacturers). Motor capacity of the electric two vehicles must be increase to 3000 Volts so that driving experience to end users will be improved. Fast Charging has to be implemented in range of electric scooters so that the myth in charging time will be minimized. Performance and efficiency of the vehicles range, maximum speed, acceleration, warranty, electric energy consumption (KWh per 100 KMS), Battery technology, Battery capacity, Battery density and Battery charging cycles must be defined in a standardized way by all the OEM's so that the durability of the product will be stabilized as compared to the Internal Combustion Engine (ICE).

## **MARKET**

Government must liberalize the policies in imports of raw materials for the battery manufactures. Imports on electronic components & spares for electric scooters have to be minimized by encouraging ancillary units and training them to manufacture the necessary components required. Technical education related to electric mobility must be imparted in respective institutions to train the students. Spares must be made available in all the local automobile spare shop.

## **INFRA STRUCTURE**

Battery swapping stations must be developed to ensure the availability of quick battery replacement options in case of low battery levels. Fast charging infra structure has to be developed on all major road connectivity's. Internal Combustion Engine mechanics must be trained on all the parameters of the electric scooters so that the availability of support and assistance to the users will be available to serve the needy.

## **Teaching Outcomes**

Making strong choice about electric vehicle platform blueprint include matching inferior material cost with high capital allotment and maximize capacity wherever feasible. Applying additional cost-reduction approach to OEM's, include design simplify, cost unbiased and destructive purchase strategy, partnership to share the research and development to scale up the technology drawbacks in the electric vehicles manufacturing.



Due to increase in fuel prices, the shift from Internal Combustion Engine (ICE) vehicles to electric mobility has been rapidly increasing with the awareness of the advertising & also government relaxation on road taxes, subsidy on new purchases & tax exemptions benefits. However, the battery costs have to be minimized as at the time of replacement as it cost 40% of the vehicle cost which is huge burden on the customers, aside availability of the spare parts must be increased by reducing the GST on the spare parts and increase the charging point at public parking's by providing the fast charging provisions. There is no doubt that in the next 5 years transition period will be challenging in this space by both the automakers and suppliers as well.

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## Operations-Sustainability Case

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### Abstract

Khadi institutions have traditional values and business ethics. Even in today's internet and digital era they adopt and exhibit their traditional practices and culture. There are many good practices adopted by these institutions. Even today, the Khadi production process is well aligned with the United Nations Sustainable Development Goals, SDG. Sustainability has been understood as satisfying the needs of the present generation without compromising the needs of future generations encompassing the verticals of economy, society, and the environment. Khadi Institutions established by Khadi & Village Industries Commission, KVIC (Ministry of Micro, Small, and Medium Industries, India) are semi-autonomous institutions functioning to provide Employment & produce saleable Khadi products. They are primarily involved in creating self-reliance amongst the poor to create a robust rural community. Khadi is a hand-woven cloth delivered without environmental damages. This case attempts to explain how Khadi India institutions operate their production process to achieve the SDG goals and to understand how Khadi production aligns with the triple bottom line framework for sustainable development.

**Keywords:** *Sustainable Development, Khadi Institutions, Production process, Triple Bottom Line*

### Khadi India-The Textile Emporium of the World

Khadi is a cloth that is hand-woven and is made from cotton or silk thread made on a spinning wheel. Khadi Institutions are the backbone of rural development of India involved in producing the Khadi and Khadi related products. There are 7050 Khadi Institutions (KIs) spread across India that are functioning under the guidance of Khadi Village and Industries Commission, KVIC, Ministry of MSME, Govt. of India. KVIC has been entrusted with the responsibility of planning, promotion, organization, implementation of programs and release of financial assistance for the development of the sector. These institutions provide employment to more than 10.1 million rural artisans in

the country. In the state of Tamil Nadu, 69 Khadi Institutions (known Sarvodaya Sangh) are affiliated with KVIC out of which 26 are under Madurai and 43 are under Chennai State District Office. All the 69 Sarvodaya Sangh operates with the objective of producing and selling Khadi and Khadi related products developed by the rural community in the brand name 'Khadi India'.

Clothing has been one of the most potent forms of expression used by human civilization. It not only protects one's body but also conveys messages about one's culture, personality, taste, and preferences. Today's clothing trends have had very humble beginnings. India has been at the centre of these trends since time immemorial Proof of textile weaving and clothing has been found in India, even in the bronze Age. The famous

statue of the bearded man from the Indus Valley Civilization adorning a fabric with floral motifs is a well-known architectural proof. Textile exports from India have been mentioned in lithographs and seals, which are over 10,000 years old. The fine quality of Indian textiles made them a favourite of people across the globe, including the Greeks



and the Romans. One such fabric is 'Khadi' or 'Khaddar'. Khadi was popularized by Mohandas Karamchand Gandhi, the father of the nation in the early 20<sup>th</sup> century; however, its existence as a fabric has been present since time immemorial. Hand spinning and weaving, which forms the core principle of Khadi, has been a regular practice of people of the Indian sub-continent even in the ancient ages. The finding of pottery jars covered with fabrics, Bronze tools, and terracotta spindle whorls shows that hand spinning and weaving were daily practices among ancient Indians. Most of these handspun fabrics were expensive and were exported to other countries for consumption by the royals and commoners alike. Indian textile reached across the globe through different trade routes. The maritime silk route was most significant in taking the Indian textile products to the far east. India was indeed the textile emporium of the world.

### **The Emporium Breaks**

However, different forces dethroned India from its dominant place in the textile world with passing time. Imperialistic forces of the British government and the trade policies of East India Company reduced India to an exporter of cotton and an importer of finished clothes. Imperialistic forces were also supported by inventions like Spinning

Jenny, Electricity, and other similar industrial revolution products. Along with these machines, the British imperialistic powers also used the law to further their vested interest by legislating the infamous Calico Acts. As a result of this multifaceted imperialism, anti-imperialistic forces rose in India. Among many such forces was a man who, despite being frail, shook up the foundations of British imperialism. Mohandas Karamchand Gandhi, a young barrister who later became the father of the nation, was a prominent force in bringing back the lost glory to Indian textiles. He advocated using handspun and hand-woven khadi fabrics to encourage self-reliance among Indians. This paper gives a brief history of khadi as a fabric and explains how the sustainability model can be applied to other businesses.

### **The Khadi Spirit**

Khadi's significance can be understood because after the Britishers decided to partition Bengal in 1903, The Indian nationalist took to khadi as the base for self-reliance and started mass production of khadi clothes to reduce the dependence on British made fabrics. As a result, the Indian National congress in 1922 formed a separate Khadi Board. The All-India Spinners Association was formed in 1925 by Mahatma Gandhi to ensure the usage and popularization since Khadi as a fabric has been symbolic to the Indian freedom struggle has been used by commoners and leaders alike.

### **Cloth of Character**

Khadi cotton is a short-staple cotton crop that can be cultivated on low fertility soils with minimal or no chemical inputs. This way, it leaves the more fertile land for other productive purposes like growing food crops. Also, it prevents damage to the environment by avoiding the use of chemical fertilizers. Most of the Khadi spinning and weaving centres source their raw cotton from nearby small and marginal cotton farmers, thereby avoiding shipping the raw material to long distances. Here Khadi process becomes sustainable by Local sourcing of ingredients and raw materials & minimal transportation.

Khadi spinning and weaving centres are located in rural areas, avoiding crowded Urban agglomeration. It is well known that urban-centric manufacturing failed massively during the covid period and crowding at such places was a source of the spread of Infections. Here the khadi model is sustainable because of facilities located in rural areas.

Employment in these khadi production centres is mainly provided to low skilled and semi-skilled artisans, thereby generating Employment for a group that will generally

find it harder to get jobs elsewhere. Additionally, most of these people are from nearby rural areas, thereby reducing the carbon footprints generated by long distances travelled by employees. Hence Khadi model becomes further sustainable by ensuring Low carbon footprint employee transport and Employment of unskilled and semi-skilled populations.

The Khadi production centres are spread across the country. They are not located centrally, ensuring consistent supply if any of these centres are disrupted. Thus Khadi model inspires distributed production against the centralized production of today's world. The khadi production model has an environment-friendly production process by ensuring minimum consumption of resources like electricity and water.

Khadi Fabric is a product that has positive health benefits by cooling the body in hot temperature conditions and warming the body in cold temperature conditions. This keeps the body temperature in control and keeps diseases like cold and heat strokes away. Additionally, wearing such fabric lessens the artificial heating and cooling system requirement. Hence, the khadi model becomes sustainable by having human health-friendly and climate-responsive products (shown in Table 1).

The Khadi sustainable business model described is an indicative model and can be replicated by businesses whose goal is to become sustainable. By taking up sustainability in different aspects of their supply chain, organizations can conserve the environment and benefit from enhanced financial Bottom lines because of differentiated products and sustainable competitive advantage.

Questions for discussion:

1. Identify the sustainability components achieved in production of Khadi cloth.
2. Construct a Khadi Production Model mentioning the Input-Transformation Process-Output factors
3. Explain the Triple Bottom Line framework in context of Khadi production.
4. Discuss how Khadi Institutions objectives are aligned to the United Nations sustainable development goals.

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## Machine Replacement in Plastic Industry

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### Abstract

This case is intended to teach the problem of machine replacement based on assignment model, a topic in operations management. This case deals with machine replacement in plastic company, where four machines were responsible for manufacturing one type of container, which is responsible for maximum sales. These machines are running successfully without much variation in operating cost. Since the life expectancy of four moulding machines is nearing, they decided to replace two machines now due to capital limitation. Operation team is collecting data such as operating cost, productivity, and profit data. The problem is to identify the data and method to solve the problem of finding which of the two machines to be replaced first. Based on the data available, an assignment model is formed to solve the machine replacement problem. The case is explained with step-by-step procedure and excel solver solution.

### Case

Surya Plastics Company is one of the leading manufacturers of plastic containers for various industrial usages. They are manufacturing four types of containers, such as CAN1214, CAN1216, CAN1316 and CAN1319, each of the above four container is different in sizes and customer usage, however the raw materials for all the four types are same with different quantities of consumption, moreover similar machines are used to manufacture all the four with different settings. Mr. Prasad is the production manager and knows that the sale of CAN1216 is 70 percent of the total sales, but the other three types are being consumed by the same customers in lesser quantities. Though CAN1216 container consumption is high in percentage, the customers don't want to go for another supplier to buy lesser quantity of other types of containers.

Four moulding machines are dedicated to manufacture the CAN1216 type of container, it was purchased few years ago from the domestic supplier. Mr. Guru, head of the maintenance team, has noticed that those four moulding machines on the shop floor are nearing their life expectancy. He had a discussion with Mr. Prasad and finance head Mr. Hari to identify the feasibility of replacing all the four moulding machines together or

individual replacement. The budget availability for capital expenditure current financial year was limited to spend for machines, So Mr. Hari suggested to replace one or two machine maximum for this year.

The operating cost of moulding machines is assessed and found that they are varying at a negligible rate. Mr. Guru and the teams maintained all four machines as per the preventive maintenance scheduled and considerably reduced the variation in operating cost. All the four machines' productivity is almost similar and high as per the industry standards. It is hard to decide the replacement based on operating cost of the machine. Mr. Guru and Mr. Hari together advised Mr. Prasad to check other parameters for deciding on a replacement.

Mr. Prasad started discussing with his team to collect all the data related to the four moulding machines. At the same time, he invited the quote and technical specification of the proposed two new moulding machines. He found that the new machines are similar to the old ones with no difference in technical and operation specifications. One subordinate collected the production capacity of the machines each be as 500 units per day (capacity) and only four trained workers available per day to handle the machines. Next subordinate supplied the data of productivity, data of machines against each worker, in addition the new machine's productivity also estimated against each worker was listed as follows.

	<b>M/c 1</b>	<b>M/c 2</b>	<b>M/C 3</b>	<b>M/C 4</b>	<b>M/C 5</b>	<b>M/C 6</b>
<b>Worker A</b>	94	91	90	88		89
<b>Worker B</b>	92	89	86	89	91	92
<b>Worker C</b>	88	88	93	91	90	89
<b>Worker D</b>	91	89	91	90	88	92

Note: M/c 1- Machine 1, M/c 2- Machine 2, M/c 3- Machine 3, M/c 4- Machine 4, M/c 5- Machine 5, M/c 6- Machine 6

Another subordinate collected the average machine operating cost per unit of production is Rs 15, the variation as identified for machine 1 and machine 3 is 5% higher than the average. The other two machines have 3% less than average. Next subordinate collected the profit per unit of CAN1216 as Rs. 115 per unit. Mr. Prasad and the team is in



discussion to identify and replace one or two machines together using the relevant data collected.

### **Questions**

1. Critically evaluate this situation for machine replacement
2. Find which are the two old machines can be replaced instead of two new machines.

### **Teaching Note**

#### **Case synopsis**

Surya Plastics Company is a leading manufacturer of various plastic containers for industrial use. The company produces four types of containers such as CAN1214, CAN1216, CAN1316 and CAN1319, each differs in size and usage, but raw materials and production machine remain the same. Among the four containers, CAN1216 has higher consumption than other containers. CAN1216 containers are manufactured using four moulding machines which were purchased years ago. As the life expectancy of machines is nearing and it is found that few machines have less productivity hence it is economical to replace the machines which have low productivity.

The team from the company has to identify whether all the four machines have to be replaced or individual replacement is needed as the availability of finance for the current is limited to spend on machines. Hence any one or two machines has to be replaced. As the machines have almost the same productivity it is difficult to identify which has to be replaced based on the operating cost.

Mr. Prasad, the production manager, invited a quotation for the other two proposed machines (new). The capacity of machines per day is 500 units and four trained workers handle the machine per day. Based on this the productivity data against each worker data is mentioned. The profit per unit of CAN1216 is Rs. 115.

#### **Case teaching objectives**

The case is interesting for the following reasons:

1. It allows students to understand the necessity of machine replacement model and assignment problem

2. It provides meaningful insights about the machine replacement model with the value of year and money. And it also helps to identify which machine has to be replaced.
3. It is helpful to solve the machine replacement model using assignment problem in excel solver.

The instructor can describe the machine replacement model and when it can be used. It is important to illustrate the need of machine replacement which has to be replaced based on lesser productivity. The replacement models are concerned with the problem of replacing the machines due to failure, efficiency deterioration or breakdown. The replacement of items is advisable has efficiency or productivity declines as time goes by.

#### 1. Critically evaluate this situation for machine replacement

The case highlights the machine replacement problem in a medium-sized company that manufactures containers for industrial use. Quality of product depends on the manufacturing, in which the machines used for production play a vital role to maintain quality of the product.

- The replacement of the machine has to be done when there is physical deterioration of the existing machine.
- When the operating cost and maintenance become significantly high.

#### 2. Find which are the two old machines can be replaced instead of two new machines.

To identify which two machines need to replace with two new machines we are using assignment problem method using excel solver. The productivity values are given in Table 1.

**Step 1** – Since the company decided to replace the two machines among the four machines. It is necessary to compare the machine outcome, five machines and six machines for deciding the replacement.

**Step 2** – To compare the outcomes, the outcome of the machine can be compared in terms of productivity, cost of operation and profit. Productivity alone cannot be considered for replacement because the machine's actual capacity needs to be compared. Capacity data of machinery is not available in the case. Since the cost of operation is given in relative percentage figures, it cannot be used, so the profit can be used to solve the problem

**Step 3** – The solution to the problem is to develop an assignment model with profit values and solve it using a solver to find the machines to be replaced. The model developed with profit values are as follows in Table 2.

**Table 1: Productivity values**

	M/c 1	M/c 2	M/c 3	M/c 4	M/c 5	M/c 6
Worker A	94	91	90	88		89
Worker B	92	89	86	89	91	92
Worker C	88	88	93	91	90	89
Worker D	91	89	91	90	88	92

Note: M/c 1- Machine 1, M/c 2- Machine 2, M/c 3- Machine 3, M/c 4- Machine 4, M/c 5- Machine 5, M/c 6- Machine 6

**Table 2: Profit values**

	M/c 1	M/c 2	M/c 3	M/c 4	M/c 5	M/c 6
Worker A	54050	52325	51750	50600	0	51175
Worker B	52900	51175	49450	51175	52325	52900
Worker C	50600	50600	53475	52325	51750	51175
Worker D	52325	51175	52325	51750	50600	52900

To convert to profit value:  $(\text{Capacity} * (\text{productivity rate} / 100)) * \text{profit per unit}$

Eg: for Worker A, Machine 1:  $(500 * (94/100)) * 115 = 5405$

Step 4. The assignment model is solved using a solver to find the machines to be replaced. By referring to the solver solution in the excel sheet, we can find that machine 2 productivity is less than others

	M/c 1	M/c 2	M/c 3	M/c 4	M/c 5
Worker A	54050	52325	51750	50600	0
Worker B	52900	51175	49450	51175	52325
Worker C	50600	50600	53475	52325	51750
Worker D	52325	51175	52325	51750	50600
Dummy Worker	0	0	0	0	0

**Figure 1: Profit details with Machine 5 added.**

	M/c 1	M/c 2	M/c 3	M/c 4	M/c 5	M/c 6
Worker A	54050	52325	51750	50600	0	50600
Worker B	52900	51175	49450	51175	52325	51175
Worker C	50600	50600	53475	52325	51750	52325
Worker D	52325	51175	52325	51750	50600	51750
Dummy Worker 1	0	0	0	0	0	0
Dummyworker 2	0	0	0	0	0	0

**Figure 2: Profit details with Machine 6 added.**

Hence, we can find the solution as Machine 2 and 4 can be replaced, since it has been assigned for dummy workers. The total profit is Rs. 2,11,600/- (Two lakhs eleven thousand six hundred only).

# **A Case Study on Decoding the Landscape Of Non-Fungible Tokens (NFT) Trading**

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## **ABSTRACT**

Non-Fungible Tokens (NFTs) are new and unique digital assets based on blockchain technology introduced in late 2017. Currently NFTs represent objects like art, collectible, and in-game items. They are virtually traded within the smart contracts with cryptocurrency as their medium of exchange. Everyone's attention caught on NFTs during late 2021, when a square-collage of 5000 works of Beeple was sold for \$69 million. This paper is dissected as, first we characterize the NFT market and its participants, second to know the statistical properties of the market and understand its landscape. We showcase big companies and its footpath in the NFT market. The secondary data is collected from various interviews by experts, journals and trading websites. We anticipate that these analyses will stimulate further research on NFT trade practices.

**Keyword:** *NFT, Opensea, Blockchain, marketplace, Ethereum*

## **INTRODUCTION**

### **Background**

Crypto currency was invented by pseudonymous and presumed to be introduced by Satoshi Nakamoto in 2008. It is a decentralized digital currency without any Central Bank or any Regulatory body. All the transactions are verified by network nodes through cryptography and recorded in a public distributed ledger called a Blockchain. The first crypto currency is Bitcoin.

### **Understanding Decentralised Finance(DeFi) and Smart Contracts**

DeFi was introduced in the year 2009, after the launch of Bitcoin. It is the first peer-to-peer digital currency, which transformed the traditional finance world. DeFi is the umbrella term used for various applications and projects used in Blockchain space. These financial applications are built on decentralised blockchain technologies by using the Smart contract.

Now comes another unique way to trade the financial assets or underlying assets. All the contracts between the traders are based on a programming language that allows multiple to interact with each other. So this requires no intermediary or banks to control the risk. Most of the application uses the Ethereum network to trade. Ethereum is a technology that enables home currency to digital money, global payments and application. People from anywhere in the world can easily lend and borrow or trade using the financial tool in the ethereum network. Crypto booms across the globe, and decentralization of finance seems to dominate the novel financial instruments such as **NFTs**.

### **Is Non-Fungible Token is an Asset**

Non-Fungible tokens is a metacode, which uses blockchain technology to store its digital art in the form of links on the Internet. Non-Fungible means something which is unique and non-replaceable with its qualities or anything else. A token on the other hand means ownership of the virtual assets. NFTs are the finished goods, having a product value which is sold by the seller to the buyers directly. The value of the NFTs are appreciated with the external forces impacting the demand and the supply for an underlying asset. Essentially, NFT are digitised tokens representing art, music, video, collectibles which have real-time value, but converted into digital format and recorded in blockchain.

### **MARKET CAPITALISATION OF NFTS**

By March 2021, Forbes reported a combined market cap of major NFT projects has increased by **1,785%**.

After Beeple's selling his NFTs with more than \$69 billion, the market's explosive trend involving NFTs have led the highest sales volume of NFT marketplaces everyday, alongside the valuations of NFT-related tokens. Theta Network's THETA, Enjin's ENJ, Sandbox's SAND, and Axie Infinity's AXS are some of many major NFT or blockchain gaming-focused applications. Consequently, major NFT marketplaces, like Rarible and Opensea, had increased their sales volume between 50-fold to 100-fold by the end of the 2021.

Digital assets or collectibles having common features are traded in the NFT market. Most collections can be categorised in six categories: Art, Collectible, Games, Metaverse, Other, and Utility.



Source: <https://nbatopshot.com/moment/easyaces+c1c29a9a-327f-47fe-a570-f4bd806b1ae3>

The above are the NFTs of LeBron James playing in the series 1 of National Basketball Association in October 2020. These collectibles are traded at \$230,023 by the start of Feb, 2022. Evaluating the factors we see that high demand for the NFTs LeBron James is a top notch triple double in Game 6 with 28 points, 14 rebounds, and 10 assists on the way to winning his fourth career championship and number 17 for the Los Angeles Lakers franchise.

**MARKET LANDSCAPE OF NFTS**

NFTs reaching new heights superseding the growth of the crypto market. The NFTs are traded in the marketplace such as Opensea, CryptoPunks, Raribles and other markets trading with respective cryptos. Majority of the tokens are traded with Ethereum, solana and Bianca. In the below infographic, it is shown the top 10 marketplace of high volume traded in the month of Jan'22. On the other hand, Lot of artists and professionals participate in this market to mint their works as NFT. Ultimately this increases the trade volume and better market place.



Source: <http://t.me/top7dan> (twitter handle)

The below picture represents the Market volume for a year and sales per day with the average of 365 days. We can infer that there is an increase in the sales made over the year showing a linear growth.



Source: <https://nonfungible.com/market/history>

### NON-FUNGIBLE TOKENS IN INDIA

In the digital age of evolution, the NFTs had made its imprints in the minds of the new-age investors and artists alike. NFT marketplace in India is at an infant stage, with potential market growth. Globally, the NFT’s Market Capitalization is racing towards \$50 billion, and with the Indian participation it would propel more for the year 2022.

Major marketplace in India at the start of 2022

- i) **Wazirx** - In India Wazirx is Cryptocurrency trading platform, it has entered into the NFT market by late 2021.
- ii) **Bollycoin** - It is the marketplace planning to launch NFT coins of Bollywood actors like Salman Khan and Sonu Sood.
- iii) **RARIO** - It launches NFTs of cricketers around the globe through its NFT marketplace.
- iv) **Always First** - It is an NFT marketplace that rolled up NFTs of Cricketer Sunil Gavaskar.

Big Media players Viacom18 have also started with the NFT marketplace with fully valuable digital art created by the team under the brands like MTV, Vh1, and Comedy Central in India.

### TRADE SEQUENCE

The trading activity in the NFT marketplace is similar to the auction house. The participants will open a crypto wallet to hold the crypto currency and digital art. The



seller/owner will exhibit the digital art with the value in the respective crypto. Interested buyers can bid at 5% or more as from the offer value. The highest bidder will take the ownership of the art. A gas fee is charged for the transaction by the crypto wallet.

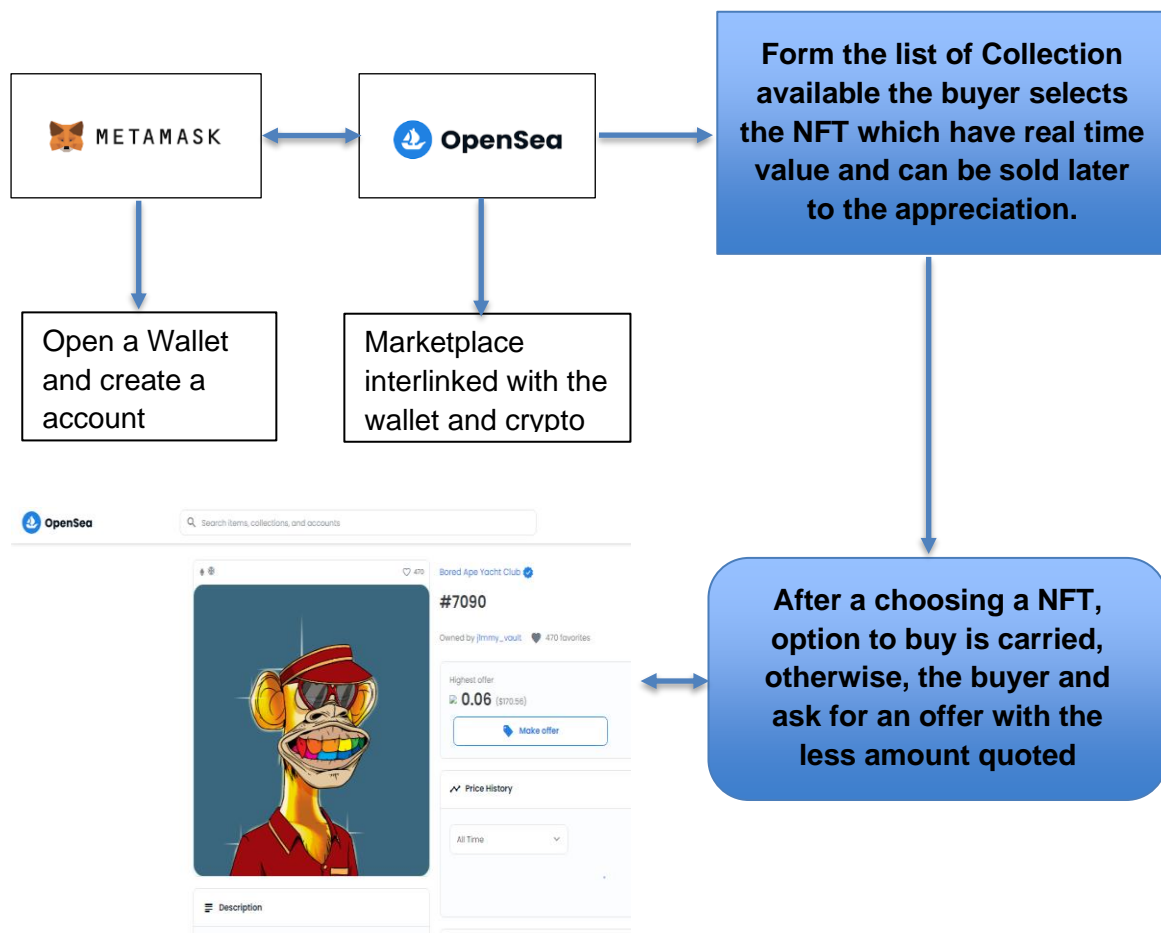


Figure 1.1 Layout of the transaction

### FUTURE OF NFTs

With Decentralisation of Finance and web3.0, the global is preparing for the next trajectory that is not far beyond. The common approach for entrepreneurs in the NFT

ecosystem to generate revenue is selling NFTs directly to users. For example, Video game producers and creators have already created metaverse and entered the market. This leverages the emergence of wearable NFTs that is disrupting many industries. Many media conglomerates such as T-Series and Viscom18 have made their footprints in the NFT space. With less than 5 years old and booming in late 2021, the NFT market has grown to great heights. India being the largest market, the business should build a model to trade and earn more.

**ANNEXURE**



*Amitabh Bachchan’s NFT avatars are sold on BeyondLifeClub.*



**Yuvraj Singh’s digital avatar in a metaverse, as NFT collection with Colexion.**



**Illustrious Sketch - Chikankari NFT from the Manish Malhotra Collections @  
350000 WRX = 323,136.29 USD**

Collection	Volume	24h%	7d%	Floor Price	Owners	Items
1k collection	27.7407 BNB	---	-26.03%	1.1045 BNB	170	1000
Ciss club	18.2032 BNB	+405.36%	---	---	376	1114
Folk scifi	11.055 BNB	---	---	49.7524 BNB	7	9
Super skulls	7.9068 BNB	-23.26%	-48.30%	0.0746 BNB	79	131
Retro film posters	7.841 BNB	---	---	---	13	31
Meta crypto ape	7.7345 BNB	+119.76%	-61.36%	---	59	105
01 ape club	5.01 BNB	+79.71%	+14.14%	---	63	122

**Source:** [https://nft.wazirx.org/rankings?sortBy=thirty\\_day\\_volume](https://nft.wazirx.org/rankings?sortBy=thirty_day_volume)

**Top NFTs Collection based on the volume traded for the last 30 days as on 4<sup>th</sup> Feb, 2022.**

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## Swapnil's WOW Moment

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### Caselet

Swapnil Kumar, a first-year student in the MBA program of a prestigious Indian Business School has just attended the finance lecture on “Introduction to Derivatives”. The finance professor has given an assignment for the week which requires Swapnil to select two of the Indian stocks whose options are actively traded in the Indian stock markets. The assignment has sparked a WOW Moment on Derivatives for Swapnil. Swapnil Kumar reached back the hostel after spending three hours on listening to the Finance professor who had just introduced derivatives to his batchmates. The professor gave a take home assignment to the students which required them to select two of the listed real- life companies and answer the questions (given in case exhibit 2). Swapnil was wondering what he should do for the assignment, I.e, which companies to choose and how to answer the questions given by the professor.

Swapnil was pursuing the third term of his two -year full time MBA in India's one of the premier business schools. He was a mechanical engineer who had developed deeper interests in finance as he liked to do a lot of number crunching. He was known as “The Crazy Curious” by his friends and he frequently demonstrated his ability to pose difficult questions to his professors both on and off the classrooms. His professors considered him to be a sincere, brilliant, creative, and promising budding manager.

After having a cup of coffee along with two pieces of samosa from the hostel mess, he went straight to his room and started reading the derivatives chapter in the prescribed textbook. After taking notes on his notebook, he opened his laptop and searched for Money control website. He was clueless on which companies he must select for the assignment. He finally selected Tata Consultancy Services (TCS) and Infosys, two of the Indian Information Technology firms for his analysis due to the following reasons.

- He had prior work experience of 26 months in WIPRO (another leading IT firm in India) and he wanted to make use of his understanding of business which he had grasped out of his personal experience
- These are the only firms in the list of top ten Indian firms by market capitalization on the date of his analysis (31 January 2020)
- He wanted to avoid selecting the other firms (those not in the top 10) as

those firms’ options may not be actively trading in the market and

- He wished to start a business entity of his own in IT sector,down the line 10 years from his graduation and therefore he tried to do his assignments on firms operating in the sector.

Swapnil compiled the data on the European option (both Calls and Puts) prices for the selectedtwo firms for the next three months contracts from the National Stock Exchange database

- ending on the third Friday of February 2020

- ending on the third Friday of March 2020

- ending on the third Friday of April 2020

Now it is the WOW moment for Swapnil to start answering the questions given by the Professor.

Exhibit 1: Option Premium – Tata Consultancy Services (TCS) Ltd in INR: European options

Stock Price	Exercise Price	Call 27 <sup>th</sup> Feb	Call 26 <sup>th</sup> Mar	Call 30 <sup>th</sup> Apr	Put 27 <sup>th</sup> Feb	Put 26 <sup>th</sup> Mar	Put 30 <sup>th</sup> April
2080	1900	225.00	294.10	309.90	7.25	14.90	25.20
2080	2000	113.50	180.00	200.9	21.05	22.20	34.45
2080	2100	52.50	129.85	135.30	35.00	52.25	67.45
2080	2200	20.55	49.00	85.35	126.50	143.00	160.75
2080	2300	7.45	29.70	50.30	230.25	238.85	252.60

Source: National Stock Exchange as on 31 January 2020

Exhibit 2: Option Premium – Infosys ltd -in INR : European Options

Stock Price	Exercise Price	Call 27 <sup>th</sup> Feb	Call 26 <sup>th</sup> Mar	Call 30 <sup>th</sup> Apr	Put 27 <sup>th</sup> Feb	Put 26 <sup>th</sup> Mar	Put 30 <sup>th</sup> Apr
775.95	740	56.05	61.55	68.35	15.15	12.60	18.35
775.95	760	34.95	56.75	69.70	10.10	17.65	25.40
775.95	780	28.40	70.00	85.30	23.50	30.35	42.20

775.95	800	19.65	45.50	73.60	42.15	47.50	55.75
775.95	820	10.65	37.20	57.20	60.55	63.30	72.40

Source: National Stock Exchange as on 31 January 2020

### Assignment Questions

1. What is a call option? When a call option contract is said to be (a) In the money (b) At the money and (c) Out of the money?
2. What is a put option? When a put option contract is said to be (a) In the money (b) At the money and (c) Out of the money?
3. What is the difference between the American and European options?
4. What are the factors that determine the value of options?
5. Compute the intrinsic value for call options and put options for TCS and Infosys based on the data given in the case.
6. Compute the time value for call and Put options for TCS and Infosys based on the data given in the case.
7. What are your inferences from the answers to the above stated questions?

## **Utilization of Farmland for Organic Farming towards Sustainable Economy**

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### **Abstract:**

**Background:** Organic farming is a method of crop and livestock production that involves much more than choosing not to use pesticides, fertilizers, genetically modified organisms, antibiotics, and growth hormones. The study focuses on how organic farm management is carried out and to study the constraints faced by small farmers involved in organic farming and to analyse the life of farmers during the pandemic of Covid.

**Methods:** In this Utilization of farmland for organic farming study which was conducted in northern, central, and southern part of Kerala were surveyed. The localities were chosen based on geographical situation. Through Convenience sampling method 30 small farmers from Ernakulam, Idukki and Alappuzha were selected for the study.

**Result:** The agriculture sector carries immense importance for the economic development of an economy. The impact of covid-19 adversely affected farming activities of small farmers of Kerala. Due to the epic pandemic, there were losses for farmers due to lower prices for their produce and inability to market the harvests due to the lack of market access, transport and closure of borders as before. Due to perishable nature of products they need to be delivered within the stipulated time. So instead of physical transaction, online transactions can save time and money. The solutions of E-Commerce adoption in agriculture are found to be a better solution.

**Keywords:** *Organic farming, Farmland, Small farmers, Agri e-business.*

### **Introduction**

Farming is one of the oldest economic activities of our country. Agriculture is the primary source of livelihood for about 58 per cent of India's population. In India, different regions have different farming methods that have evolved over the years with changes in weather, climate conditions, technological innovations, and socio-cultural practices. Farming systems in India are strategically used, depending on the places where they are most suitable. The farming systems that significantly contribute to the agriculture of India are subsistence farming, organic farming, industrial farming. Organic farming is a method of crop and livestock production that involves far more than choosing not to use pesticides, fertilizers, genetically engineered organisms, antibiotics, and growth hormones.



Organic production is a holistic system designed to optimize the productivity and fitness of diverse communities within the agro-ecosystem, including soil organisms, plants, livestock, and people. The main goal of organic production is to develop businesses that are sustainable and harmonious with the environment.

Sustainable development is the process of organizing principles for meeting human development objectives and to provide the natural resources and ecosystem upon which the economy and society depend. Organic farming is a farming technique that sustains, enhances, and maintains the quality of the ecosystem. Therefore, organic farming does not have harmful and deteriorating effects on the ecosystem. As a result, organic farming can be viewed as one of the most sustainable farming methods.

Though a lot of study has been conducted about agriculture, here more attention has been given for Agri E-Business. As part that Mr. N Jamaluddin (2013) studied about “Adoption of E-Commerce Practices Among Indian Farmers”, a survey of Trichy district in the state of Tamil Nadu, India. As the importance of UPA is increasing because of the high urbanisation Dr.Hiranniya Kalesh P and Ms.Aruna Markose conducted a study on Urban Agriculture which is not a new concept. Fu & Wan, Li & Guo Hongdog, (2017) conducted a study on “E commerce in agri-food sector. This aims to synthesize finding in the Agri-food E-commerce (AE) which recommend that more emphasis should be put on the regional development modes of AE. Thomas-A Fox, Jeanine M.Rhetulla, Nevin Raman Kutty (2017) conducted a study on “Agricultural land -use change in Kerala, India: is a bio diversity Hotspot with a high population density and a long history of complex agricultural land use patterns, some reports suggest that Agriculture in Kerala which historically is rice paddy -wetland and agroforestry based, is on the decline. The researchers SN Yogish and Sharath AM (2020) focused on impact of covid on Indian agriculture sector. In this study, during the pandemic, how does Indian agriculture react. They discuss about the difficulties that COVID-19 has presented to the ranch area and recommend moderation measures to guarantee a practical food framework in the post emergency period. So that reason there is must contemplate the effect of coronavirus on Indian agriculture.

### **Statement of the Problem**

Nowadays conventional farming affects both the humans as well as the environment. Conventional farming refers to a farming system which includes the use of synthetic chemical fertilizers, pesticides, herbicides, genetically modified organisms, concentrated animal feeding operations and heavy irrigation etc. These fertilizers and pesticides cause

different diseases like respiratory problems, cancers and genetical problems etc. and the major one among them is the harmful impact caused by insecticides 'endosulfan' sprayed. It also harmed the environment by causing land degradation, soil infertility, water scarcity due to over irrigation and various diseases to animals such as respiratory problems, cancers, and genetic problems etc. Thus, it affects over all sustainable development. So, the study focuses on how organic farm management is being done and to study the constraints faced by the farmers involved in organic farming and also to analyze the life of farmers during the pandemic situation of Covid.

### **Study Objective**

The study is designed to understand organic farm management, investment management, marketing aspects, manure and waste management and the constraints faced by farmers living in the Ernakulam district during pandemic.

### **Materials and Methods**

The study is purely descriptive in nature. Both primary and secondary data is used for the study. Data are gathered from 30 Small Farmers who are engaged in organic farming located in northern, center, and southern part of Kerala. Interview schedule was used as the mode of data collection consisting of questions on various parameters like farm management, investment management, marketing, manure, waste management and training. Data were gathered from the farmers through direct interaction with them. Statistical tools such as frequencies were used to derive the output.

### **Results and Discussions**

The small farmers who were having one to two hectares of land were being chosen for the study. Among this sample 66.66 percent of the respondents were male, 33.33 percent of the respondents were female. 23.33 percent of respondents are below 25 age categories. 30 percent of respondents were among 25-45 age category and 20 percent of respondent were 45-55 age category and 26.66 percent of respondents were above 55. The vegetable farming farmers engaged were tapioca, ginger turmeric, brinjal, banana, ladies' finger, chilly, tomato, coconut, snake gourd, spinach, rich gourd, bottle gourd, bitter gourd, ash gourd etc. The farmers majorly collect the seeds from Krishi bhavan and from Panchayath and they consider quality of the seeds in advance. Majority of them have an annual income between 50,000 to 1,00, 000.They also have other source of income in the form of poultry, and others. The major sources of water for cultivation were from canal, pond and well. The method of irrigation used was traditional motor, electric motor and to some extent sprinkler and the water conservation was done in tank and canal. Rainwater

harvesting was found to be very less. Farmers have hired a minimum of one to five workers to run the farm.

The farmers find weekly market, retail stores and neighbours to sell out their products. Farmers are happy to sell their produce through Vipani which provides a good return to their agricultural products. Farmers are ignorant about online marketing. Majority of the farmers replied that they have not made any great investment for marketing organic products, since the products has a good market in the society. Organic products always have a good demand. 60 percent agrees that they are aware about loans and subsidies provided by the government. 20 percent of respondents receives financial support from government banks, 16.66 percent of respondents receives financial support from private banks, 33.33 percent of farmers receive financial support from cooperative banks and 30 percent of respondents receives from others such as money lenders.

53.33 percent are effectively utilizing the loans and 36.66 percent of farmers are able to repay loans at specific time and date but 63.33 percent of respondents are not able to repay loans due to several financial issues and constrains. 60 percent of respondents are not satisfied with loans and subsidies received from government and other related authorities. Since the cost of production is higher and they have no other source of income for survival and the amount is not enough even to buy the agricultural inputs.

90 percent of small farmers are being affected by Covid-19 pandemic. 63.33 percent of farmers agreed that their farming operations saw losses due to the covid-19 pandemic. 53.33 percent of those surveyed said that the lower price of the product during pandemic had little impact on them and 43 percent of respondents said they were slightly affected by a lack of profit during this period. Labour shortage and transportation issue was more for the farmers during this pandemic period. Farmers also suffered badly because of the stored products during pandemic. The loss of seasonal selling was another problem that farmers pointed out. The sickness because of covid created a disaster for their life survival. Farmers were financially and emotionally suffered because of the covid situation.

The study revealed that Krishi Bhavan is the farmers' major source for general information relating to agriculture. There are 95 Krishi Bhavans in Kerala to promote agriculture. Tremendous services are being provided by Krishi Bhavans like farmers training programme, farmers advisories through SMS, voice message through m kisan portal, subsidy disbursal through various schemes, certificate for electricity connections, free electricity, subsidy for various crops etc. But many farmers are unaware of the

services offered. So, after interacting with the farmers, it is found essential that a platform should be created panchayath wise to provide the information relating to agriculture to farmers. This should happen in each ward wise.

Most farmers have good acres of land and if the panchayat can provide one Krishi officer in each ward taking care of the agriculture will increase farming output. Farmers will have plenty of doubts about farming. They are ignorant about the farming technologies. Even they are not aware about the crop insurance, which will benefit them a lot. So, if there is a Krishi officer in each ward and if they visit the farmers of respective ward twice a week, they will improve the agricultural sector. Since the digital technology has been developed, communications can be shared through messages even. Through that a good interaction may exist between the farmers and the respective officers. The farmers will get a feel that somebody is there to help them and hear them. That itself will be a motivating factor for the farmers to do better. There should be a grievance committee to listen to the problems of farmers and to provide solutions timely. All these activities bridge the gap between the farmers and the economy and we will have a sustainable environment.

It is also noticed that more than one-acre land of farmers is being kept ideal without any farming activities for even more than 15 years. The government should take initiative to find out how much of fertile land is kept idle for how many years and the reason behind the same. The farmers also pointed out that the farmlands are being utilized for rubber, coconut, and areca nut cultivation. Because labour and expense required for this is comparatively less. The reason they suggest is that they have become old and not able to work as they did before, the next generation is unaware of the farming activities, and they are engaged in some or other jobs. This is the changing situation of farming. These old farmers are rich source of information about farming, but they are now helpless and not getting government support too.

To promote agriculture a larger number of workers are needed, capital is needed, equipment is needed, and experience is also a major factor. If the government provides crop subsidy as a support, farmers will engage in more farming activities. At the same time in all parts of Kerala Kudumbasree units have been quite available since April 1999 and people are also engaged in 100 days (about 3 and a half months) work schemes. If the government through panchayath wise channelize these workers to farming activities for a remuneration it will be an immense help for the women's majorly and men's too will be benefited and the agricultural farming will be in progress and the concerned region will

be agri self-sufficient. The elder farmer of the respective houses will be able to share their experience for a better farming. So, all these thoughts should begin from village level especially ward level. Through this the ideal land will be better utilized and leads to maximum utilization of resources. The direct interaction between the Krishi officer and the farmers will promote a better farming culture. Krishi officer must visit each farm and should meet the farmers directly and must suggest ways and means to promote agricultural business.

Another thing noticed from the study is that many government employee's family members are engaged in farming activities. But they are not getting any subsidy from government to promote agriculture. They are asking that even though one member from the family is government employee, why the government is denying such support for promoting agriculture. The farmers who were continuously engaged in agriculture for more than 25 years are not receiving any grand from the government. They expect government to provide some grands in their old age. Even though their mind is keenly interested in farming, the physical condition is not amicable.

### **Conclusion**

The agriculture sector carries immense importance for the economic development of an economy. The impact of covid-19 adversely affected farming activities of small farmers of Kerala. Due to the epic pandemic, there were losses for farmers due to lower prices for their produce and inability to market the harvests as before and losses due to reduced exports of vegetables and spices. Agriculture prices have slumped due to the lack of market access, transport and closure of borders. Due to perishable nature of products they need to be delivered within the stipulated time. So instead of physical transaction, online transactions can save time and money. The solutions of E-Commerce adoption in agriculture are better. Building the suitable E-Commerce portals for agricultural product along with awareness about advantages of E-Commerce to farmers and consumers and ease the process of online payment system with community level initiation in this sector will be more supportive. Even though farmers are aware about e-business, only a small percentage of them are executing them in their business. The study can be concluded by saying that Farmers should opt for online business and be educated about it. They should also be given awareness about policies introduced by government during pandemic situations. These methods can really make the farmers overcome losses happening in their agricultural business. Farmers should have an awareness about agri-business through a proper education channel with the help of Panchayat, Krishibhavan. It is essential to

provide Free Computer Training and online platforms for e-business for the local farmers. An agrarian economy is a culture, so preserving it is vital for the next generation.

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## **Are large IPOs destined to fail – A case of One 97 Communication**

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### **Abstract**

2021 is considered as a bumper year for the Indian primary market. Companies raised 1.2 lakh crores through the Initial Public Offerings. One 97 Communication set a record with an IPO size of 18,000 crore and it is the largest ever IPO in India. India is predominantly a cash driven economy but there is a tremendous growth in the digital payments sector over the recent time. Due to mobile penetration and easy internet access consumers prefer digital payments. Merchants have also widely accepted digital payments. During the Anchor Book building of One 97 IPO, 18 schemes from four mutual funds have invested Rs 1,050 crore in Paytm. Even though Paytm has garnered the attention of large mutual funds but still it lost around 27% on the first day of its listing and 40% from the listing date till Dec 30, 2021. Are large IPOs destined to fail or what could be the possible reasons for failure???

### **Introduction**

2021 is considered as a bumper year for the Indian primary market. Companies raised 1.2 lakh crores through the Initial Public Offerings. The table below shows the highest gainers and the biggest laggards among companies listed in 2021. MTAR technologies emerged as the biggest gainer and Suryoday Small Bank is the biggest laggard. Paytm parent company One 97 Communication IPO is the India's largest IPO to date. One 97 Communication set a record in the IPO size and sailed through the IPO, but it lost around 27% of the first day of its listing. But MTAR technologies shares closed with a huge gain of 88.26% in the NSE on the day of listing. This case primarily focusses on the One 97 Communication IPO which is considered to be the largest ever IPO in India.

## A Rich Haul for Investors

Highest gainers among companies that listed in 2021

Company Name	IPO Size (₹ Cr.)	Listing Date	Offer Price (₹)	Listing Price (₹)	CMP (₹) 30 December 2021	% Change between CMP & IPO price
MTAR Technologies	596.4	15-03-21	575.0	1,063.9	2,285.1	297.4
Laxmi Organic	600.0	25-03-21	130.0	156.2	428.9	229.9
Easy Trip	510.0	19-03-21	187.0	206.0	512.9	174.3
Clean Science	1,546.6	19-07-21	900.0	1,784.4	2,431.4	170.2
Barbeque Nation	453.6	07-04-21	500.0	492.0	1,333.3	166.7
Macrotech Devel	2,500.0	19-04-21	486.0	439.0	1,239.7	155.1
Stove Kraft	412.6	05-02-21	385.0	467.0	976.4	153.6
Sona BLW	5,550.0	24-06-21	291.0	302.4	722.6	148.3
Tatva Chintan	500.0	29-07-21	1,083.0	2,111.8	2,662.9	145.9
Nazara Technologies	582.9	30-03-21	1,101.0	1,971.0	2,301.6	109.0

Biggest laggards among companies that listed in 2021

Company Name	IPO Size (₹ Cr.)	Listing Date	Offer Price (₹)	Listing Price (₹)	CMP (₹) 31 December 2021	% Change between CMP & IPO price
Suryoday Small Bank	580.8	26-03-21	305.0	293.0	145.25	-52.4
CarTrade Tech	2,998.5	20-08-21	1,618.0	1,600.0	847.75	-47.6
Windlas Bio	406.0	16-08-21	460.0	439.0	276.05	-40.0
One 97 Comm	18,300.0	18-11-21	2,150.0	1,955.0	1,335.10	-37.9
Fino PayBank	1,200.3	12-11-21	577.0	548.0	370.75	-35.7
SJS Enterprises	800.0	15-11-21	542.0	540.0	380.80	-29.7
Shriram Properties	600.0	20-12-21	118.0	94.0	86.15	-27.0
ABSL AMC	2,786.3	11-10-21	712.0	712.0	531.90	-25.3
Kalyan Jewellers	1,174.8	26-03-21	87.0	73.9	68.45	-21.3
Krsnaa Diagnostics	1,222.3	16-08-21	954.0	1,025.0	738.00	-22.6

Compiled by: ETIG Database

### Background Of the Company One 97 Communication

India is predominantly a cash driven economy but there is a tremendous growth in the digital payments sector over the recent time. Due to mobile penetration and easy internet access consumers prefer digital payments. Merchants have also widely accepted digital payments.

The founder Mr. Vijay Shekhar Sharma founded Paytm with an investment of \$ 2 million in 2010. In the initial years it launched digital recharge platform for the pre –paid mobiles and DTH services. The app enables plethora of services to the customers which include cashless transactions at stores, top-up for mobile phones, online money transfers, bill payments, digital banking services, tickets purchase, online games, investments and insurance distribution. The merchants can use paytm platform for product offerings, advertising & loyalty solution and online payment solutions.

In 2013, Sapphire Ventures invested \$ 10million. In 2014 Paytm launched Paytm wallet and in the same year Indian railways and Uber accepted Paytm wallet as a payment option. In 2015 it expanded its services to metro recharges, electricity gas and water bill



payments and the user base surged to 10.4 crores. In the same year it entered travel business also,

Alibaba group and TATA group Ratan Tata investments were received in the year 2015. It raised funds from Mountain Capital in 2016. In the same year it launched movies, amusement park, events ticketing, flight ticket bookings. Softbank and Berkshire Hathaway invested during 2017 and 2018 in Paytm. So Paytm was able to attract big Private investors like Softbank, Ant Financial, AGH Holdings, SAIF Partners, Berkshire Hathaway, T Rowe Price, and Discovery Capital to invest in its business

In India Paytm is the largest payment platform. The customer base for payment services, financial services and commerce & cloud services is around 33.7 crore and more than 2.2 crore merchants have registered on its platform. The company's market share in mobile payments is 40% and wallet payment is around 65-70%.

### **List of Best Payments App in India**

1. Paytm
2. Google Pay
3. Amazon Pay
4. PhonePe
5. JioMoney
6. AirtelMoney
7. Freecharge
8. PayZapp

### **Paytm Revenue Model**

Paytm generates revenue from two sources (i) Payment and financial Services and (ii) Commerce & Cloud Services.

#### **(i) Payment and financial Services**

- Transaction Fee – Paytm charges transaction fee from its merchants based on the Gross Merchandise Value (GMV).
- Convenience Fee – It charges convenience fees from its customers for certain transaction types.
- Subscription Fee – It charges subscription fees from its merchants like Paytm Soundbox & Point of sale services.

**(ii) Commerce & cloud Services**

- Subscription Fee – It charges subscription fees from its merchants for software & cloud services.
- Transaction Fee – It charges transaction fee from the merchants for its commerce businesses.
- Convenience Fee – It charges convenience fees from its customers for certain transaction types

**Financial details***(₹ in million)*

<b>Particulars</b>	<b>As at and for FY 2021</b>	<b>As at and for FY 2020</b>	<b>As at and for FY 2019</b>
Merchant Base	21.1		11.2
Gross Merchandise Value	4033 billion		2292 billion
Equity share capital	605	604	575
Net worth	65,348	81,052	57,249
Total income	31,868	35,407	35,797
Profit/(loss) after tax	(17,010)	(29,424)	(42,309)
Earnings per Equity Share			
Basic (in ₹)	(282)	(488)	(746)
Diluted (in ₹)	(282)	(488)	(746)
Net asset value per Equity Share (in ₹)	1,084	1,347	1,000
Total borrowings	5,449	2,087	6,962

**SWOT Analysis****Competitive strengths**

- India's leading digital payment service platform.
- Large customer base with 333 million total customers, 114 million annual transacting users, and 21.1 million registered merchants as on March 31,2021.
- Paytm customers have access to a wide range of digital payment services with their Super-app.

**Weaknesses**

- Huge Debt
- Too much of diversification

**Opportunities**

- Vast Section of Indian population is underserved in payments and financial services products.
- Majority of small businesses have not used the benefits of digital commerce
- The major contributors of digital payments are 63% UPI, 26% cards, 6% net-banking and 2.5% wallets. In a recent finding by Razorpay there is huge spike of 637% in transaction volume of Buy Now Pay Later transaction mode.

**Risks**

- Competition is very high and more new players enter into the business since there are low entry barriers.
- Attracting and retaining the customers and merchants to their platform is key to their success.
- Being a digital service company, it warrants huge investments in technology infrastructure.
- Continuous investments and innovative service offerings are essential since the customers' expectations keeps on changing.
- Significant increase in the payment processing charges payable to financial institutions and card networks will reduce the profitability of the company.
- Paytm comes under various regulatory authorities like RBI, SEBI & IRDA. The business as well as the revenue growth will be severely impacted when there is a policy change made by either of the regulatory authorities.

**Objectives of the Issue:**

The IPO proceeds will be utilized for the below purposes:

- Developing the business ecosystem of Paytm by investing in new technology and offering new services to attract and retain the merchants & customers – ₹ 4,300 Crores
- Investments towards Organic & Inorganic growth - Entering into new businesses, acquisitions & alliances – - ₹ 2,000 Crores
- Other business purpose

**Problem of the Case**

One 97 Communication set a record in the IPO size and it is the largest ever IPO in India . During the Anchor Book building, 18 schemes from four mutual funds have invested Rs 1,050 crore in Paytm. Paytm was able to attract the interests of the various investors groups like mutual funds, retail investors etc but still it lost around 27% on the first day of its listing and 40% from the listing date till Dec 30,2021.

**Are large IPOs destined to fail or what could be the possible reasons for One 97 Communication IPO failure???**

**Solutions for the Case**

An investor before investing in any IPO should prepare a checklist and evaluate the company before investing in an IPO

**Checklist for an IPO**

Particulars	Criteria
Financial Performance	Revenue (increase in the last 3 years)
	Profit (increase in the last 3 years)
Future Prospects	Good Business Model
	Business is a monopoly or the competition is high
Reasons for raising IPO	Debt Repayment
	Expansion
	Working Capital Purpose
Size of fresh issue	Offer for sale is greater than fresh issue
	Offer for sale is lower than fresh issue
IPO price- Fairly valued	Price – to- earnings
	Price-to- book
Rating of the credit rating agencies	High or Low

**Recommendation for the Case**

*It is evident that digital space is growing in India but even for a digital company ultimately Cash is the King. It is not because of the IPO size the stock has fallen but it is because of various other factors listed below*

1. The IPO includes Fresh Issue as well as Offer for Sale. The fresh issue is around Rs 8,300 crore and the offer for sale is around Rs 10,000 crore. **In the One 97 Communication IPO the offer for sale is higher than the fresh issue amount.**
2. The competition in each of its business is increasing with large players entering the business.
3. Since the start Rs.190 billion has been infused into the business and 70% of the funds goes towards funding losses.
4. It is valued at 49.7 times of its FY 21 revenues whereas global companies trade at 0.3-0.5-times of price-to-sales.

**So it is very important that investors should take much care and attention before investing in an IPO.**

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## **Testing Bubbles and Volatility Spillover effect of bitcoin on Top US Performing Stocks – A Case Study**

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### **Abstract**

This case exhibits the important portfolios of any corporations or investors who want to record good profits in their books. The important portfolio is the United States' top-performing companies like Facebook (Meta Corporation), Apple, Amazon, Netflix, Google (Alphabet Corporation), also known as FAANG Stocks. The consumer most likes this group of stocks, and these five companies are the largest in the world. These companies cover the most significant market capitalization with more than USD 5.6 trillion. Bitcoin is the most emerging crypto presently in the global markets. Bitcoin, the first cryptocurrency made with the help of blockchain technology in 2008, has been viewed as a major alternative investment after any other stocks. In some countries like the US, Finland, Canada, bitcoin is treated on par with gold investment. High volatility is the main feature of this crypto. There is a problem of hedging and securing the investment for any investor. This case intends to check the bubbles in bitcoin and FAANG Stocks and the spillover effect from bitcoin to these stocks. To identify the bubbles in the bitcoin and stocks, researchers used the Augmented Dicker Fuller Test such as RADF and SADF. This paper also examined the short and long-run spillover effects using the multivariate DCC-GARCH and Granger Causality Spillover effects of Bitcoin on FAANG Stocks. The study used Diebold and Yilmaz method to check the net volatility and net pairwise spillover effects. The immediate spillover result will help the trader, investor, and portfolio manager rationalize and advise the client on investment strategies. The study reveals structural breaks, and there is a long spillover effect from bitcoin to five stocks. Corporations can use these results, firms, traders for portfolio diversification, hedging, and portfolio strategies against the bitcoin to five stocks.

**Keywords:** *ADF, bitcoin, bubble, cryptocurrency, FAANG Stocks, Spillover effect.*

## **VentureFund Pvt. Ltd.**

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### **Abstract**

This case discusses about the dilemma faced by a VC firm regarding funding in either of two mutually exclusive investments in EdTech space. The decision to invest lies in the hands of a newbie. By going through the case, the students will understand the nuances involved in start-up valuation and the various aspects to be considered before investing in a start-up.

### **Introduction**

VentureFund Pvt. Ltd is a Bangalore-based Venture Capital firm that was established in 2020. The CEO of VentureFund, Akash Kumble, has always captivated by the growth of EdTech in India. With a CAGR of 39.77 percent [1,] Kumble is certain that India would become the world's EdTech powerhouse. His goal is to raise funds for the upcoming BYJU / Upgrad.

Raju, a recent IIM(A) graduate; chose finance as a career and was hired by VetureFund Pvt. Ltd. as a Start-up Valuation Analyst. Mr. Kumble chose him from the campus because of his critical thinking and attention to detail. Mr. Kumble welcomed Raju to his office on his first week and gave him his first assignment.

"We have two ideas for prospective funding," Kumble informed Raju. One from DLearn Pvt. Ltd., while the other comes from SpritIndia (an Ideation stage start-up). I've previously emailed you the specifics of these Start-ups, as well as their revenue projections. Analyze them and tell me which one is best for us to invest in before the end of this week."

### **DLearn Pvt. Ltd.**

DLearn is an online platform for children from first through eighth grades that allows them to learn coding and arithmetic via storyline. They assert that they are making learning an enjoyable recreational activity for toddlers, so that they may learn by playing with numbers and codes. They have already acquired 2000 free subscribers. The revenue projections stated by Mr. Kathir, Founder of DLearn, are as follows.

*DLearn Team*

Founder

Mr. Kathir has worked with Reliance Communication for 20 years. Vice-President, Marketing is the most recent post held. Stanford graduate as well.

#### Co-Founders

Mr. Suhel has ten years of experience as a programme manager at Cognizant and is an alumnus of IIT Madras.

Mr. Kumar – Fresher. PGDM - Finance from IIM, Bangalore.

#### *Revenue & Cost Assumptions*

- The business-to-business model. To be introduced in schools.
- S&D Manpower:
  - Each Zone will be responsible for nine districts.
  - Each zone has a zonal manager, one office assistant, and one telemarketer.
  - Each district has one Area Manager and three marketing professionals.
  - Marketing executives' and area managers' salaries include travel expenditures.
- Target Market:
  - Year 1 – Bihar and Jharkhand,
  - Year 2 – Uttar Pradesh
  - Year 3 – Madhya Pradesh and Chhattisgarh
- Expected no. of Customers:
  - Year 1 – 70 Schools
  - Year 2 – 250 Schools
  - Year 3 – 420 Schools
- Average Students per schools – 250
- Subscription Fee per student, per annum – Rs. 2000.

#### *Capital Required*

Particulars	Amount (Rs. In Lakh)
IT Infrastructure	159
Office Set-up cost	20
Operating Expenses for First year	400
<b>Total</b>	<b>579</b>

*Break-Even:* The founders believe the business will break even by the end of the second year.



## **SpritIndia**

Mr. Rahman launched SpritIndia, a start-up in the conceptualization stage. Mr. Rahman has over three decades of expertise in human resources in the UAE. He launched SpritIndia with the goal of providing inexpensive higher education to the country's rural adolescents. Mr. Rahman sent the following information to VentureFund for review.

### *Online Higher Education Industry*

On July 4, 2018, the UGC announced that Higher Educational Institutions can now provide Certificate, Diploma, and Degree programmes in full-fledged online modality [2]. This policy reform is being implemented since around 25% of high school graduates in India continue onto enhance their education. The Indian government anticipates the proportion to reach 50% by 2035, more than doubling the country's current college and university enrollment of over 35 million students. [3]. Recruiters' perceptions about online degrees in India have shifted as a result thereof. According to Techavio's industry research analysis, the online education market in India will be valued around USD 18 billion by 2022, rising at a CAGR of almost 20% over the next five years [4].

### *Business Model*

SpritIndia intends to collaborate with famous regional universities and higher education institutions in South India to provide in-demand courses such as MBA/BBA, MCA/BCA, and so on. On average, these courses will cost Rs. 90000 (Bharathidasan University and Alagappa University charge Rs. 91000 for their online MBA/BBA programmes).

The required course material, evaluation modules, and accreditation will be provided by the partner university. SpritIndia will provide its platform, marketing assistance (enrolling candidates based on university requirements), and placement assistance (to the needed students). The revenue ratio envisaged is 50-50.

The expansion plan for the next three years is:

- *Year 1:* Make an agreement with at least one university in Tamil Nadu for a two-year postgraduate programme (most likely MBA). On anticipation that at least 25 students will enroll in the course in Year 1.
- *Year 2:* A collaboration with two new institutions in South India will be incorporated. 2 two-year PG courses (most likely MBA & MCA) and 2 three-year UG courses (most likely BBA & BCA) will be offered in all three universities. Each university's goal is to register an average of 50 students in PG courses and 25 students in UG courses.

- *Year 3:* Collaboration with two additional universities in South India. In addition to the two UG and PG degrees offered by the five South Indian universities. The goal is to register 100 students in each of the PG programmes and 50 in each of the UG programmes on average.

*Capital Required*

Particulars	Amount (Rs. In Lakh)
Platform Development Cost (AI Enabled)	150
Office Set-up cost	20
Operating Expenses for First year	200
<b>Total</b>	<b>370</b>

*Break Even:* From second year of operation.

**Decision to Make**

Owing to a preponderance of resources, VentureFund can only invest in one of these start-ups. Which start-up could Raju propose to Mr. Kumble if his company's estimated annual rate of return is 75%?

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## **ANAU: A Pharmaceutical Firm's – Forex Risk Exposure**

PA Mary Auxilia

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### **Abstract**

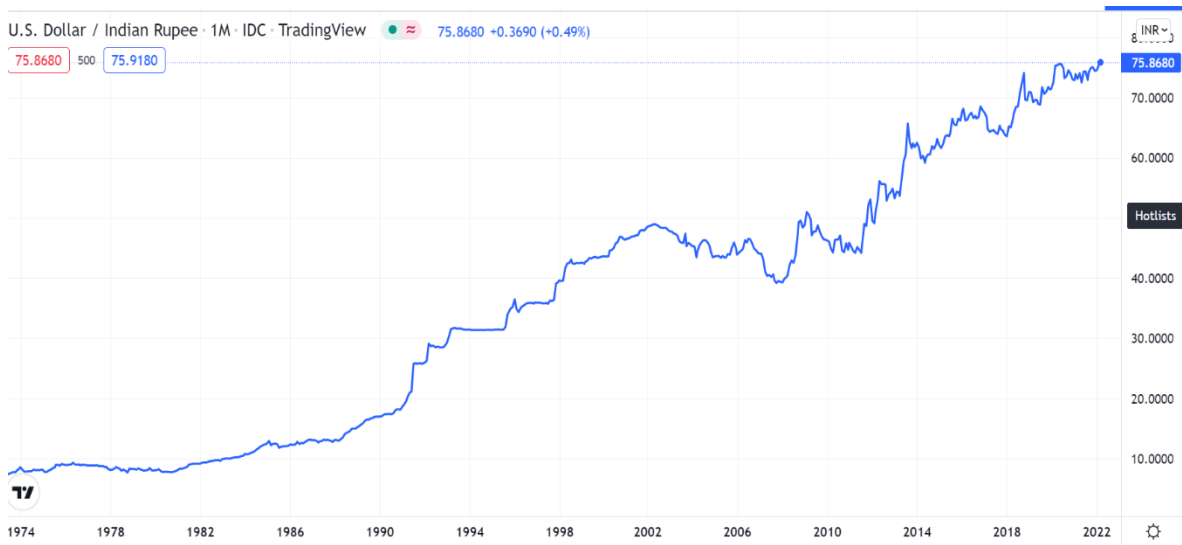
This case discusses on the forex risk in the foreign exchange market. The emergence of Multinational companies and trade across countries has unveiled global financial market to complexity of risks. The exchange rate fluctuation in response to the foreign exchange market supply and demand has exposed the organizations to transaction exposure. In this case ANAU a pharmaceutical firm imports organic chemicals from United States of America and exports its products to Russia and Germany. ANAU is subject to foreign exchange risk in terms of US\$ and Russian Ruble exchange rates. The case explores and explains the various hedging techniques that ANAU firm can use to offset the loss and to protect itself by minimizing transaction exposure.

*Key Words: Forex, Hedging, transaction exposure.*

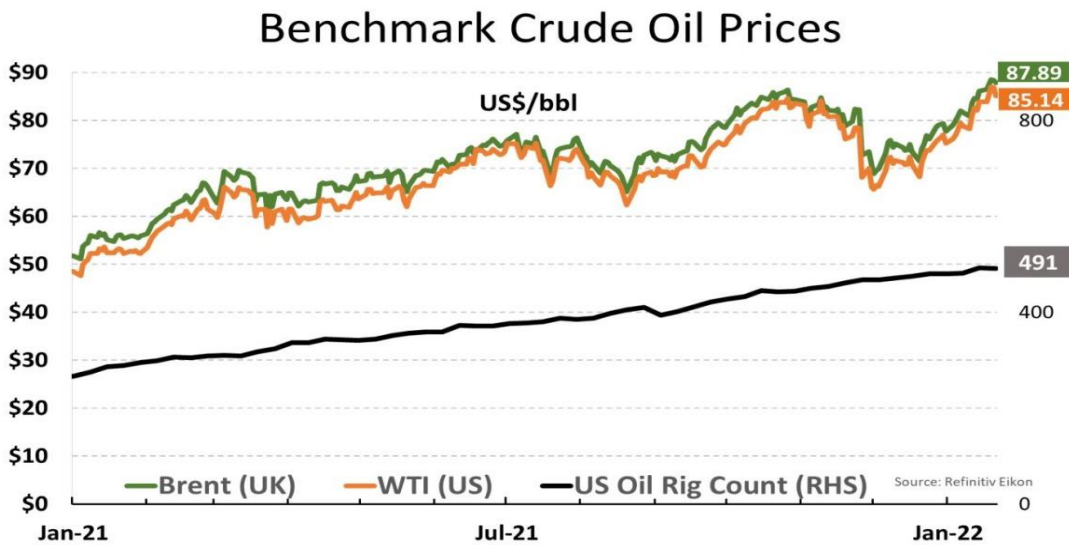
### **Case Study**

ANAU a pharmaceutical company set up in India in 2002, has seen market crashes during crisis with U.S. Dollar and Indian Rupee exchange rate fluctuations. Figure 1 shows that the American dollar has appreciated drastically in the last 12 years against the domestic currency. The firm has also witnessed 2008 crisis, COVID-19 crisis and its huge impact on the currency rates. U.S \$ is a global currency, a many investors consider it as a safe currency. The demand for U.S. \$ in the international markets has moved the dollar up, a stronger currency than Indian Rupees. ANAU imports organic chemicals from United States of America and exports its products to Russia and Germany. The building agitation between Russia and Ukraine worries the organization on the uncertainty of the trade and the currency risk that might arise due to global reaction to the situation. The possibility of spike in oil prices, interest rate hikes and inflation surging the organization is quiet sure that it will be exposed to forex risk. Figure - 2 shows that the surging crude oil prices might push the dollar rupee rate above the present rates. The global expectations on the announcement of increase in the interest rates by Federal reserve system of United States of America drives the firm to look into different ways of minimizing the foreign exchange risk.

**FIGURE 1: U.S. Dollar/Indian Rupee foreign exchange rates**



Source: Trading view website



**FIGURE 2: Crude Oil Prices**

Source: Refinitiv Eikon

ANAU imports organic chemicals from U.S worth of two million U.S. dollars. The payment of two million U.S. dollars is due after 180 days from 2<sup>nd</sup> February 2022. The firm also exports one million U.S. dollar worth of its products invoiced in Russian Ruble to Russia. The buyer in Russia has bought the products with an agreement to pay after 90 days.

The organization's treasury manager is very clear that the import from U.S and export to Russia will have transaction exposure. The global COVID-19 crisis with new variants and the war like situation between Russia and Ukraine has made the treasury manager to worry on exchange rate fluctuations. So, he suggests the management the need for hedging the forex risk to offset any losses that the firm might incur due to transaction exposure. The organization after an elaborated discussion and understanding the situation appoints a team to work on the best possible hedging strategy with the treasury manager heading the team.

The team analyzed various possibilities of hedging and during their discussion they found that ANAU firm will also be receiving half million U.S Dollars as sales proceeds from a buyer in Germany invoiced in dollars after three months. The team thought of paying the half million dollars received to the exporter. The treasury manager felt that exporter's bill has to be settled after 6 months and dollars from Germany will be received in three months. He had a dilemma of whether to pay the exporter or invest in the business which will fetch a minimum return of 14%.

The following exchange rates and derivative contract details were considered to arrive at the best hedging strategy.

Spot rate INR₹ per U.S.\$ = ₹ 74.82

Spot rate Russian Ruble per U.S.\$ = Russian Ruble 76.21

90 – day Forward Rate INR per U.S.\$ = 75.6222

180 – day Forward Rate INR per U.S.\$ = 75.6292

90 – day Forward Rate Russian Ruble per U.S.\$ = Russian Ruble 81.21

Call Option: Strike = ₹ 76.25/\$, Premium = ₹ 0.8025/\$

Put Option: Strike = \$0.01401/Rub, Premium = \$0.0002802/Rub

The team has decided to hedge its risk using either forward contract or option contract or both. The currency pair INR and Russian Ruble is not traded in markets, forcing the team to look on cross currency rates to hedge the transaction exposure.

**Questions for discussion:**

1. Suggest the best hedging strategy for ANAU firm. Considering the costs and benefits of alternative hedges, which would you recommend?
2. Assuming different spot rates after 6 months and 3 months, comment on the foreign exchange gain(loss) upon settlement.

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## **Indian Aviation Industry is a Creator or Destructor of Wealth?**

M P Pandikumar

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### **Introduction**

Indian aviation industry is one of the fastest-growing industries during the last few years. India has become the third-largest aviation market and is expected to overtake the UK to become the third-largest air passenger market by 2024. International Air Transport Association reported that India will overtake US and China in Air Passenger Market in the next ten years, by 2030. The Geographical landscape of the subcontinent has 437 Airports among which 35 are International Airports. The constant initiative of the Ministry of Aviation, GoI in developing new airports is registered in the presentation of the Budget by the finance minister. The ongoing expected trajectory development in the Indian Aviation market revolves around the significant performance of Aviation companies. The successful performance of aviation companies mainly is influenced by long term investment decisions i.e Capital Budgeting Decisions. The selection of capital budgeting decisions with rationale impacts the various levels of Aviation operations which badly impede the financial performance and finally wealth of Shareholders. The Indian Aviation Market after Independence particularly after liberalization in the early 90 the Aviation industry achieved remarkable developments in line with Global standards. The liberalization of industry attracted private players in the Aviation Industry.

### **Entry of Low-Cost Airlines**

The launch of the Air Corporations Act 1953 paved the way for the Monopolistic presence of Government-Owned Aviation companies till 1990. The Open-Air Policy introduced in 1991(Dhamija,2009) dismantled the monopoly state of Government-owned aviation companies and granted entry for new private players to fly in the sub-continent Indian skies. The entry of private investors into the Aviation Industry attracted the LCC (Low-Cost Carrier) model in connecting the Length and Breadth of the Indian subcontinent.

The Indian Aviation Industry registered its twists and turns due to the nose dive crashing financial performance of very few companies viz Kingfisher Airlines, Air Deccan, etc. The entry of Spicejet and Indigo registered their strong presence in Indian Aviation Market.: The entry of both Spicejet and Indigo aviation companies registered their strong business model of Low-Cost Carrier in the Industry.

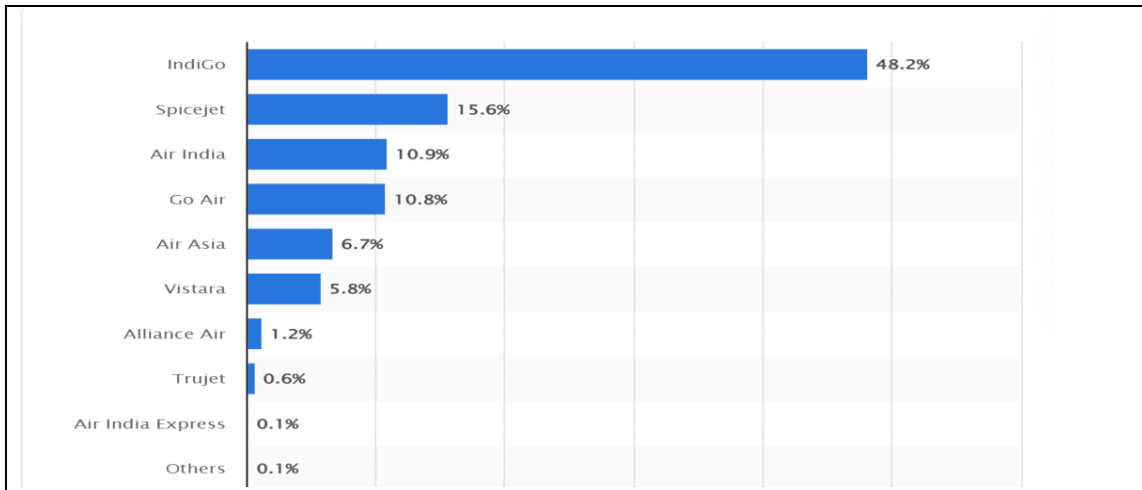


Fig-1Market share of Indian Aviation Companies,2020

*Spicejet in Indian Aviation Industry:* Mr. Ajaysingh is an IIT-ian promoted to the company in the year 2005. It commenced its business operations in 2005. It initially ordered 20 next-generation aircraft for its Low-Cost Aviation model.

*Vision:* To address and ensure that flying is for everyone

*Mission:* To become India’s preferred low-cost airline, delivering the lowest airfares with the highest customer value, to price-sensitive customers. We hope to fulfil everyone’s dream of flying

*Objective:* To afford low aviation service in India.

Portfolio of AirFleets: Total Number owned:121

TABLE: SPICEJET AIRFLEETS			
Boeing 737	Airbus 320	Bombardier Q 400	Boeing 737 Freighters
82	2	32	5

*Spicejet Share price: Rs.62.10(As of date 18 February 2022)*

*Indigo in Indian Aviation Industry:* Mr. Rakesh Gangwal as an IITian joined hands with Mr. Rahul Bhatia and promoted Indigo in the year 2005 but commenced its operations in 2006. It placed 100 Airbus A320-200 firm orders in June 2005. It received its first fleet on 28 July 2006 and its operations commenced on 4<sup>th</sup> August. In 6 years, it reached the fleet capacity of 50 Nos.



*Objective:* To afford a low-cost aviation model by keeping low operating costs and punctuality

Portfolio of AirFleets: Total Number owned:121

TABLE: INDIGO AIRFLEETS 278			
A320NEOS	A320CEOS	ATRs	A321 NEOs
142	48	35	52

*Indigo Share price: Rs.2113 (As of date 18 February 2022)*

### **Major Early achievements of Indigo**

1. It replaced AirIndia as a top third airline in India in 2010.
2. It replaced kingfisher's second-largest airline in 2012.
3. Overtaken market share of Jet airways within 6 years of its operations
4. It became one of the top 10 big low-cost air carrier company
5. In August 2015, it ordered 250 Airbuses for the cost of \$25 billion

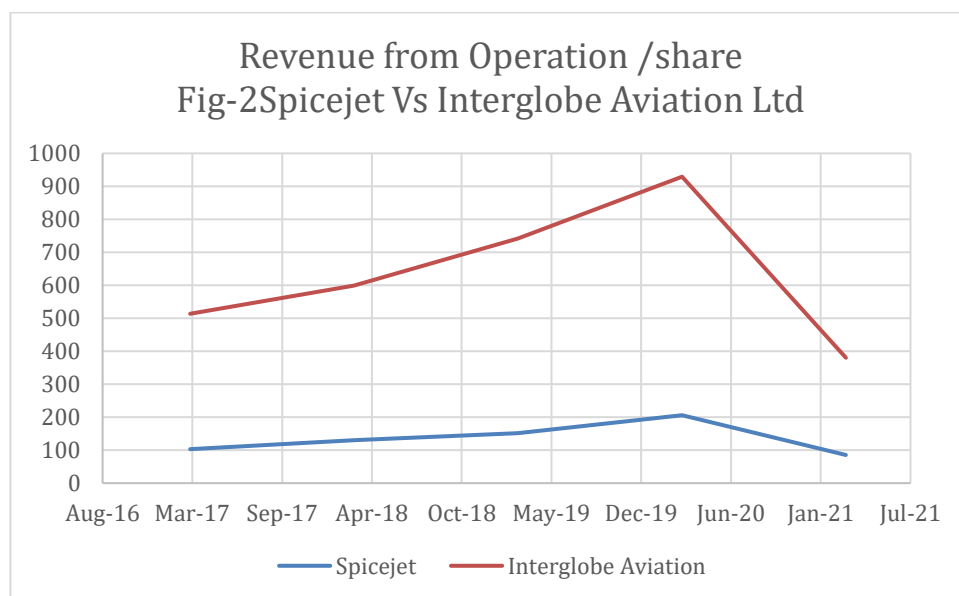
The problem of the Case:

1. *Current Market Price:* Spicejet's current market price is less than Indigos' current stock price. What is the fundamental reason for the higher Current Market Price?
2. *Market capitalization:* The Market capitalization of Spicejet Rs 3,728.28 crore is less than Interglobe aviation company's Rs.81608.62 crore- Why the Market capitalization of Indigo is greater than Spicejet? What reasons attributed to greater Indigos' share market price?
3. *Fixed Assets:* As of Dated 31<sup>st</sup> March 2021 March, the Fixed Assets of Indigo were greater than Spicejet.
4. *Operating Revenue:* Indigo's total operating revenue was higher than Spicejet's- Why?
5. *Operating Revenue/Share:* The operating revenue per share (Rs) of Interglobe Aviation Ltd is higher than Spicejet, Why?

Table-3 illustrates the Operating revenue per share of both Spicejet and Interglobe Aviation

Table-3 Revenue from Operations per Share

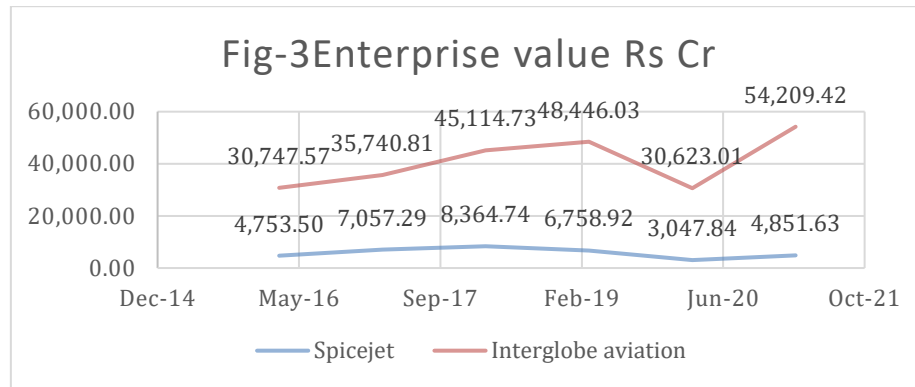
Revenue from Operations Per Share	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Spicejet	85.42	205.95	151.96	130.04	103.28
Interglobe Aviation	380.37	929.22	741.32	598.87	514.03



6. *Current Assets:* During the year 2020-2021, Indigo and Spicejet reported current Assets of Rs.20,760.53 crore and Rs.2,578.42 crore respectively.
7. *Current Liabilities:* During the year 2020-2021, the Current liabilities of Spicejet were greater than its current assets whereas Indigo was reported as less than its current assets.
8. *Networking Capital:* During the year 2020-2021 Indigo and Spicejet reported Net current assets and net current liabilities respectively.
9. *Enterprise Value:* It is understood from Table-4 that the Enterprise value of Interglobe Aviation Ltd reported drastically higher than Spicejet. Why has this difference taken place between these two companies? What is the reason for the high enterprise value of Interglobe Aviation Ltd?

Table-4 Enterprise value in Rs. Cr

Enterprise	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16
Spicejet	4,851.63	3,047.84	6,758.92	8,364.74	7,057.29	4,753.50
Interglobe	54,209.42	30,623.01	48,446.03	45,114.73	35,740.81	30,747.57



### Questions to be Answered:

1. *Why this difference takes place between the two companies? Why does such a great gap in MPS take place between Interglobe Aviation Ltd and Spice Jet?*

The necessity of Market Price per Share (MPS) is the major focal point needed to initiate the discussion to register the difference between the two companies. The discussion on difference needs to trigger a basic question why the MPS must be given enormous emphasis in Corporate Finance?

2. *Why this drastic gap in Market Capitalisation between two companies?*

How does the Interglobe Aviation company achieve a huge market capitalization? How the Wealth maximization as an objective of Corporate Finance achieved by Interglobe Aviation Ltd? Why Spice jet was not able to achieve wealth maximization? The drastic differences in the PAT between companies need to be discussed. Why did the PAT turn out to be negative in the history of Spicejet?

3. *Is it due to a long-term Financing decision? How long-term Financing i.e., Capital Structure Decision impacted the performance of Spice jet?*

What kind of long-term financing decision impacted drastically the financial performance of Spice jet? How is the long-term financing decision affected by the Capital Budgeting decision? Is Trading on Equity favouring Spicejet? How does the financial leverage impact Spice jet in maximizing EPS? Why did the Financial Risk result in the Spicejet? How is the financial risk dampened on MPS? Why did the Capital structure design inflict the wealth maximization objective of Spicejet during the financial years 2010-11,2011-12,2012-13,2013-2014? Why Interest coverage ratios were very high during the above financial years? Why the sudden drop in PAT result during the periods of Maran-led Spicejet?

4. *Is it due to long-term Investment decision? Is it due to Capital Budgeting Decision? What has the long-term investment decision taken by Spicejet?*

**Capital Budgeting Decision:** It is the process of Evaluating and Selecting the Long-term investment to consistently maximize the wealth of investors.

Which KFS (Key Factor to Success) drove Spicejet to take such a Capital Budgeting Decision? Which Aircraft Brand was chosen by Spicejet to connect Tier-2 and Tier 3

towns/cities of India, unlike other Indian Aviation companies? Which Aircraft brand-led huge maintenance cost? How the purchase decision of ATR Netherland branded Aircraft influence PAT of Spicejet? How does the purchase decision influence the Interest coverage times, EPS, and MPS of Spicejet? How does the investment decision of Aircraft impact operating leverage? Is the operating leverage of Spicejet less than the Aviation Industry Average during 2012-13,2013-14,2014-15? If it is not, what was the major reason for a drastic change in Operating Leverage? Why does the Operating Risk result in Spicejet? Examine the Capital Budgeting decision of Spicejet concerning the Objective of consistent wealth maximization?

5. *Is it due to the Leverage decision? What exactly the leverage is? What are the different types of leverages that impacted Spicejet's performance due to Capital budgeting decision?*

*Operating Leverage:* It explores the relationship between Sales and Earnings Before Interest and Taxes (EBIT).

*Operating Leverage:* It explores the ability of a firm to make use of fixed operating costs to magnify the effects of changes in Sales concerning EBIT.

*Operating Risk:* When the Operating Risk arises in Spicejet? Why does it arise in Spicejet? Is it because of Investment decisions taken during Maran-led Spicejet?

*Operating Risk:* It arises only at the moment when the Fixed operating cost is not covered.

*Financial Leverage:* It explores the relationship between Earnings Before Interest and Taxes (EBIT) and Earnings Per Share (EPS)

*Financial Leverage:* It is the ability of a firm to meet the Fixed Financial Charges to magnify the effects of changes in EBIT concerning EPS.

*Financial Risk:* It arises only at the moment when fixed financial charges are not covered.

*Financial Break-even point:* It is the minimum level of EBIT to cover all fixed financial charges where EPS is "Zero".

Did Spicejet face an acute financial crisis due to financial leverage during the periods of Maran leadership especially out of Capital budgeting decisions?

6. *What impacted the Liquidity position of Spicejet? How did the Capital budgeting decision lead to the Liquidity crunch?*

*Why Spicejet was forced to cancel close to 40 fleets during 2014 under the leadership of Maran? Why did oil refining and marketing companies refuse to supply ATF to Spicejet? Why did Chhatrapati Shivaji International Airport Ltd issue so cause notice to Spicejet regarding the usage of Runway? Why Airports Authority of India demanded a bank guarantee from Spicejet? What made Spicejet cancel 1861 flights till Dec 2014? Why did the DGCA issue so cause notice to Spicejet?*

The Liquidity decision of Spicejet was in deep trouble due to poor working capital management decisions, especially concerning Long-term asset decisions.

*Gross Working Capital:* Total value of Current Assets

*Net Working Capital:* The difference between Current Assets and Current Liabilities.

*Operating cycle:* It is the period of Continuing flow of cash to suppliers, suppliers to inventories, inventories to receivables, and finally back into cash.

Why Net Working Capital of Spicejet turned to be negative? Which was the major factor of influence that impacted the Liquidity decision of Spicejet? The operating cycle of Spicejet was higher than Indigo Aviation Ltd. Why Operating cycle drastically changed during 2014 from the previous years? What dragged Spicejet to pay November month salary in December 2014? By Whom?

*History of Takeovers Vs Wealth Maximisation:* Spicejet experienced two takeovers as episodic events which illustrate the process of wealth maximization.

*Kalanithi Maran took over Spicejet (2010):* Kalanithi Maran ascertained the takeover of Spicejet from Mr. Wilbur Ross (USA) etc by paying Rs.750 Crore for acquiring 37.7% stake around an average price of Rs 48 per share.

*The takeover of Spicejet by Ajay Singh (2015):* Ajay Singh took over the controlling interest by paying Rs.2 on an average price per share from Mr. Kalanithi Maran. During 2015m the SpiceJet's outstanding liabilities and immediate payables stood at Rs.3,500 crore and Rs,2200 crore respectively.

*Did the Capital Budgeting Decision of Kalanithi Maran lead Spicejet to register wealth maximization or wealth destruction to the investments of investors?*

*History Success of Interglobe Aviation:* During the turbulent times of the aviation industry in the year 2014-15, Interglobe Aviation decided to raise share capital to meet its future Capital Budgeting plan to take part aggressively not only in domestic but also in international markets.

*Interglobe Aviation IPO success(2015):* The Interglobe Aviation Rs.3018 crore issue was oversubscribed 3 times. It registered a ray of hope among the investors in the Aviation industry.

*Interglobe Aviation ordered 250 Aircraft:* Indigo confirmed its order of 250 Aircraft with the Airbus group.

*Is the success in terms of Wealth Creation out of Market capitalization driven by the Capital Budgeting decisions of Companies in the Indian Aviation Industry?*

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## Designing Dynamic Loyalty Programs using Machine Learning

@ Elixir Online Pvt. Ltd.,

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Ashish, CEO at Elixir Online Inc. was sitting at the coffee table in the Palazzo hotel's dine-in restaurant. It was his daughter's 18<sup>th</sup> birthday. He chose to spend time out with his daughter, away from his usual hectic schedule. The birthday party just got over and the celebrations were still on. Ashish was staring at her daughter who was still having fun with her friends. Although his eyes were staring at her, he was engrossed in deep thought. Something was bothering his mind. His recent days at Elixir Online had not been pleasant. Although, the company was looking to building a good customer base, profits were still elusive and that had resulted in a minor tussle with Ramkumar, his boss.

### Background of the Company

---

Elixir Online Inc. was started by Ramkumar and Sandeep. Both were brothers and their father had been running a trading company for 25 years when they graduated with their MBA degree from a famous college in Bangalore in the year 2009. Passionate about their business, both gave up engineering career in pursuit of entrepreneurship. They had learned the tricks of the trade from their father and wanted to attract the new internet generation. At the time, E-commerce was still booming in India with CAGR of 35% and it was expected to exceed USD 20 billion by 2014. The online retailing segment was also expected to grow-up quite significantly in the coming years. The advent of smart phone, its newfound ability to browse Internet at greater speeds coupled with acquisition of 3G spectrum in India by the telecom giants Airtel and Vodafone, growth of customer expectations and changing urban lifestyles were all pointing towards a big market for online retail. Elixir Online Inc. was set up in 2009.

### The Early Days

The founders were excited about their new venture and growth seemed to be promising. Sandeep and Ramkumar realized the need for venture capital investment for their startup and started meeting several VCs in Bangalore and beyond. After several failed attempts,

they turned successful by the end of 2010 in attracting USD 10 Million from a famous VC firm in Singapore. Although the fund was not enough to make it big, it marked the first milestone for Elixir Online Inc.

The founders wasted no time in setting up a big sales and marketing team. They brought in the best of minds from across the country and abroad. The team was raring to go.

### The Discounts Program

Since e-commerce was still in its infancy during the period, customers were just getting acquainted with the technology and were highly skeptical about online transactions. Many of them signed up for new accounts and the traffic to the website was picking up. However, the successful conversion into transactions did not happen in the way Ramkumar and Sandeep expected and so did not translate into revenues. The marketing team at Elixir online Inc., suggested huge discounts to boost the online sales. Their argument was attracting customers to buy from their website is important in developing the online buying habits of the customers and will be useful in the long run.

The founders were arguing against it because huge discounts will attract not only huge losses but since there is no loyal customer base currently, the strategy runs the risk of backfiring. Apart from loss of revenue, there is also the risk of existing customers waiting for discounts to buy from the website and so they may keep postponing their purchase decisions. After a lot of heated debate which went on for a couple of weeks, the marketing team and the management agreed to adopt this strategy. The founders had a tough time convincing their VCs on this initiative but eventually brought them to agreement as well. Eventually, Elixir started offering discounts on most of its products.

### The Growth Period

The strategy seemed to be reaping rewards although the initial response for the program was meek. Elixir Online kept building a new customer base and were starting to penetrate Tier II cities. The turnover of the company increased from a meagre Rs. 10 million in 2011 to Rs. 25 Million in the next couple of years. However, Elixir had a market share of less than 5% in the E-tailing segment and profit was still elusive. Things were waiting to change for the worse.

In the year 2014, Elixir Online's biggest competitor Flipkart introduced the Big billion-



day sale close to the Diwali season and this had become a phenomenal success. Elixir Online failed to foresee this new customer acquisition strategy from its leading competitor and had to think aloud if they were to gather market share. The founders gave serious thought and concluded that if they were to scale successfully, they need to bring in a new CEO who is technically sound and strong in technology.

### The Appointment of New CEO

Ashish was working for a big FMCG company as a technology team lead and had built quite a formidable reputation for himself over the years. He was instrumental in setting up a strong IT team at his company and was involved in the development of an enterprise-wide information system. His flamboyant style coupled with a strong technical knowledge and ability to respond to latest changes in the market quickly made him attractive for the new position. Sandeep came in touch with him through his friend. A meeting was set up between the founders and Ashish. The outcome of the meeting was fruitful, and Ashish was convinced about his prospective new role at Elixir online.

Roughly two months down the line, Ashish made his big career move of life and was appointed as the CEO of Elixir Online during the year 2015.

### Building the Customer Base

The day of his daughter's birthday seemed to be long for Ashish. After returning from the hotel, he spent a long time pondering. He was wondering how to stem the problem of elusive profits. The more he thought about it, it became clear that it was only possible through better customer acquisition and retention models. Apart from this, he realized that assessing the quality of the existing customer base is important going forward. Right from his stint at Elixir Online as the new CEO, Ashish was adept at handling technology issues. He solved many teething technology-related problems successfully. With his strong technology skills combined with the marketing team's strategy, he was convinced that it was just time before Elixir Online setup a strong customer base.

The next day Ashish was all charged up and back in his office early. He soon called for a meeting with the marketing team. Along with Ashish, the marketing team, based on the input by its team member Suresh, devised a Customer Lifetime Value model strategy to assess the quality of existing customer base.

Customer Lifetime Value (“LTV”) is the amount of money an individual customer will likely spend with a business in the future. It’s often used to value your customer base and figure out how much to spend in getting or keeping existing users in each segment and rank customers. It also is a measure of the success of marketing activities.

When the Marketing team proposed the idea, Ashish argued:

*“I agree with the LTV principles. But what is worthwhile to note is that the LTV calculation is not straightforward for e-commerce businesses. This is because we do not know the loyalty of a customer. The relationship is not contractual: at any moment, a customer may never make a single purchase again. Additionally, forecasting future purchases requires statistical modeling that many LTV formula seem to lack.”*

For this reason, Suresh, Marketing team member, argued:

*“Point well-taken. But I think we have a choice! Why not estimate and use a retention rate?”*

Ashish had already given a thought about this earlier. Ashish responded:

*“Unlike a contractual setting, it is not easy to use a simple retention rate to determine when customers may terminate relationship with the company in a non-contractual setting. Furthermore, the retention rate is modeled as a linear one and it does not tell us anything about other factors which influence the purchase decision. The customer could also actually wait for a long time before he makes his next purchase.*

*Therefore, there is no sure way of saying the customer has ended the relationship.”*

Suresh did not have an immediate answer to this.

Ashish recognized that Suresh was on the right track. He also knew that guided properly, Suresh could come with an answer eventually. He said,

*“I see you are thinking in the right direction. Why don’t you study the customer acquisition models thoroughly and come with a recommendation?”*

Suresh’s Dilemma

Suresh had graduated from IIT Delhi before working for a manufacturing company in the sales and marketing team. Although he did not have a formal management education, he was able to gel with the team in the company and was successfully converting many leads. He was also duly recognized for his contributions to the company.

It was now Suresh's turn to spend a long day. Thinking about the argument he had with his boss that day, Suresh started researching different models of customer acquisition and retention. He stumbled upon a promising model for the non-contractual setting. The model he researched was called "RFM" model or in other words *Recency, Frequency and Monetary* model. This model had all the elements to make it workable. It considers the recency of last purchase, frequency of purchases, and average purchase value. He thought that it was a non-linear model which could be used to predict whether a user is "alive" or "dead" given historic transactions to forecast future probability and size of purchases.

He also realized that being a non-linear model, instead of simpler linear formula that is based on retention rates, it would be apt to use this new model he was considering.

#### Recency, Frequency, and Monetary Model

The next day saw a flurry of activity in the conference room. The entire marketing team was assembled, and Suresh was eagerly pitching for the adoption and viability of the new model. Though the team members were initially skeptical, they realized that the model had all the essential elements to make it a successful one.

More important, they thought that the segmentation of customers in this manner would guide them to the right decisions. After getting the team's nod, Suresh wanted to be sure of his new strategy. He got in touch with the IT team and caught hold of the past two years' historical data. He insisted that the data must include the columns User Id, number of purchases within the specified time window, days since last purchase, and days since first purchase information.

The requested report came in no time. He quickly took the report and rushed to Ashish's cabin. Little did he realize at that moment, that his idea was about to be thwarted. Ashish was in a meeting with the operations team when Suresh knocked on his door. Realizing that Suresh probably had an answer to his question, Ashish quickly closed the meeting and let Suresh in. Suresh lucidly explained about the potential of the new model to Ashish. Despite his best efforts, Ashish had other ideas. To make the strategy work, he needed to step into the role of Devil's advocate. Looking at the model and thinking aloud, Ashish spent some time thinking about the caveats of application of the new model.

He continued:

*“I agree the new model is promising. It looks to capture the most essential elements like recency, frequency and monetary values. But it is overlooking the fact that unlike a conventional brick and mortar setting, this one does not capture the behavior of the online customers correctly.”*

He continued:

*“You see, in the online setting, the customer could respond to offers in multiple ways. First, although few could respond, many customers are irked by the fact that their email inbox is already flooded with promotional offers. They do not even open their promotional emails. If we bombard them with more emails, we have a risk of losing customers. We must avoid sending promotional emails to wrong customers.” “Second, the preferences of customers change over time in an Ecommerce setting.*

*Who is a loyal customer today may slip into a churned customer if competition eats up.”*

He paused for a moment and said:

*“I don’t think RFM model would be relevant in this setting. But I see that you are progressing well in the direction. Keep looking for the answers”.*

The Analytics Twist

Suresh left the room confused. He has another night in front of him which is going to be long. Luckily, for him since he was interested in Data analytics, he had taken online MOOC courses on Machine Learning from famous websites such as Coursera. His newfound interest led him to approach this problem differently this time.

That night he was staring at his computer screen, researching Machine learning applications. To his dismay, he found that most of the machine learning applications were focused on engineering applications.

He didn’t give up. He studied the few business applications, and this led him to workable solution for the problem at hand. He also noticed that all the machine learning applications had a common thread linking them. All of them could act dynamically with new data and proved useful in generating interesting insights.

The next day, he walked confidently to his office. He knocked on his boss Ashish door. There was no turning back this time, he thought. And, he was right.

Case Discussion Questions:

1. What are the disadvantages of applying Customer Lifetime Value model in an E-Commerce setting?
2. What are the advantages of RFM model? Is Ashish right in concluding RFM model is not right for the current setting?
3. What are the possible machine learning models do you think are applicable in this scenario?
4. How do you think Machine learning can help in Customer acquisition and retention?
5. Give outline of proposed machine learning method and how it could help Ashish retain existing customers in dynamic loyalty program setting.

Exhibit 1: LTV Model inputs

	email	frequency	days_since_last_transaction	days_since_first_transaction	average_transaction_size
1	beastlee@gmail.com	21	1	147	33.82
2	lisa.d@unix.com	16	2	129	15.24
3	sherri@uberise.com	13	11	170	26.481875
4	erin@comist.com	10	21	142	47.63
5	ramona@susose.io	7	49	177	23.609
6	eva@calcise.co	7	18	146	26.103
7	dinnernugget@gmail.com	7	84	180	16.53
8	sheila.soto@twimbo.com	7	4	169	15.43545
9	carolyn.g@supraiyo.com	6	154	171	36.158
10	horace@conible.co.uk	6	70	167	19.164
11	erin@wilderson.com	6	44	150	21.7925
12	b@yakimbee.io	6	4	149	39.455

Exhibit 2: RFM Scores for sample customers

Customer	Recency (Days)	Frequency	Monetary (\$)	R	F	M	RFM
Lionel	205	6	472	3	4	3	343
Jaineel	90	9	843	5	5	5	555
Taj	619	4	196	1	2	1	121

## Exhibit 3: Transactions JSON file – Sample Records

```

{"person": "78afa995795e4d85b5d9ceeca43f5fef", "event": "offer received", "value":
{"offer id": "9b98b8c7a33c4b65b9aebfe6a799e6d9"}, "time": 0}

{"person": "a03223e636434f42ac4c3df47e8bac43", "event": "offer received", "value":
{"offer id": "0b1e1539f2cc45b7b9fa7c272da2e1d7"}, "time": 0}

{"person": "e2127556f4f64592b11af22de27a7932", "event": "offer received", "value":
{"offer id": "2906b810c7d4411798c6938adc9daaa5"}, "time": 0}

{"person": "8ec6ce2a7e7949b1bf142def7d0e0586", "event": "offer received", "value":
{"offer id": "fafdc668e3743c1bb461111dcafc2a4"}, "time": 0}

{"person": "57f4db3b5b2a46b8b06db07840a02fb5", "event": "transaction", "value":
{"amount": 4.48}, "time": 204}

{"person": "a0830fd4ac5240f8a4e8576008b0ebb3", "event": "transaction", "value":
{"amount": 1.51}, "time": 204}

{"person": "728036f087b945e9add781c1bfb8d885", "event": "transaction", "value":
{"amount": 3.74}, "time": 204}

{"person": "37187b0b31654a66a5b657832dfea94f", "event": "transaction", "value":
{"amount": 14.66}, "time": 204}

{"person": "dbb778dbe0924f56a54aa714406bbcd9", "event": "transaction", "value":
{"amount": 17.71}, "time": 204}

{"person": "20b3771f1f144a8d95610a19cd65d8d3", "event": "offer viewed", "value":
{"offer id": "f19421c1d4aa40978ebb69ca19b0e20d"}, "time": 576}

{"person": "0fc796ac46bb4532bf8d4ef0e43851cc", "event": "offer viewed", "value":
{"offer id": "4d5c57ea9a6940dd891ad53e9dbe8da0"}, "time": 576}

{"person": "519cffe93312403daa2834c2b9ef92c0", "event": "offer viewed", "value":
{"offer id": "fafdc668e3743c1bb461111dcafc2a4"}, "time": 576}

{"person": "ca98c3611fb044e581ad34f2b4bcf1f6", "event": "offer viewed", "value":
{"offer id": "fafdc668e3743c1bb461111dcafc2a4"}, "time": 576}

{"person": "ca98c3611fb044e581ad34f2b4bcf1f6", "event": "transaction", "value":
{"amount": 35.59}, "time": 576}

{"person": "ca98c3611fb044e581ad34f2b4bcf1f6", "event": "offer completed", "value":

```

```

{"offer_id": "fafdcd668e3743c1bb461111dcafc2a4", "reward": 2, "time": 576}
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{"offer_id": "0b1e1539f2cc45b7b9fa7c272da2e1d7", "reward": 5, "time": 576}
{"person": "d7f751dd8f824d94953dcdc0f79c7345", "event": "offer completed", "value":
{"offer_id": "2906b810c7d4411798c6938adc9daaa5", "reward": 2, "time": 576}
{"person": "d7f751dd8f824d94953dcdc0f79c7345", "event": "offer completed", "value":
{"offer_id": "f19421c1d4aa40978ebb69ca19b0e20d", "reward": 5, "time": 576}

```

#### Exhibit 4: Sample profile Information of customers JSON file

```

{"gender": null, "age": 118, "id": "68be06ca386d4c31939f3a4f0e3dd783",
"became_member_on": "20170212", "income": null}
{"gender": "F", "age": 55, "id": "0610b486422d4921ae7d2bf64640c50b",
"became_member_on": "20170715", "income": 112000}
{"gender": null, "age": 118, "id": "38fe809add3b4fcf9315a9694bb96ff5",
"became_member_on": "20180712", "income": null}
{"gender": "F", "age": 75, "id": "78afa995795e4d85b5d9ceeca43f5fef",
"became_member_on": "20170509", "income": 100000}
{"gender": null, "age": 118, "id": "a03223e636434f42ac4c3df47e8bac43",
"became_member_on": "20170804", "income": null}
{"gender": "M", "age": 68, "id": "e2127556f4f64592b11af22de27a7932",
"became_member_on": "20180426", "income": 70000}
{"gender": null, "age": 118, "id": "8ec6ce2a7e7949b1bf142def7d0e0586",
"became_member_on": "20170925", "income": null}
{"gender": null, "age": 118, "id": "68617ca6246f4fbc85e91a2a49552598",
"became_member_on": "20171002", "income": null}
{"gender": "M", "age": 65, "id": "389bc3fa690240e798340f5a15918d5c",
"became_member_on": "20180209", "income": 53000}
{"gender": null, "age": 118, "id": "8974fc5686fe429db53ddde067b88302",
"became_member_on": "20161122", "income": null}

```

```

{"gender": null, "age": 118, "id": "c4863c7985cf408faee930f111475da3",
"became_member_on": "20170824", "income": null}

```

```

{"gender": null, "age": 118, "id": "148adfcaa27d485b82f323aaaad036bd",
"became_member_on": "20150919", "income": null}

```

#### Exhibit 5: Portfolio JSON file

```

{"reward": 10, "channels": ["email", "mobile", "social"], "difficulty":
10, "duration": 7.0, "offer_type": "bogo", "id":
"ae264e3637204a6fb9bb56bc8210ddfd"}
{"reward": 10, "channels": ["web", "email", "mobile", "social"], "difficulty": 10,
"duration": 5.0, "offer_type": "bogo", "id": "4d5c57ea9a6940dd891ad53e9dbe8da0"}
{"reward": 0, "channels": ["web", "email", "mobile"], "difficulty": 0,
"duration": 4.0, "offer_type": "informational", "id":
"3f207df678b143eea3cee63160fa8bed"}
{"reward": 5, "channels": ["web", "email", "mobile"],
"difficulty": 5, "duration": 7.0, "offer_type": "bogo", "id":
"9b98b8c7a33c4b65b9aebfe6a799e6d9"}
{"reward": 5, "channels": ["web", "email"], "difficulty": 20, "duration": 10.0,
"offer_type": "discount", "id": "0b1e1539f2cc45b7b9fa7c272da2e1d7"}
{"reward": 3, "channels": ["web", "email", "mobile", "social"], "difficulty": 7,
"duration": 7.0, "offer_type": "discount", "id": "2298d6c36e964ae4a3e7e9706d1fb8c2"}
{"reward": 2, "channels": ["web", "email", "mobile", "social"], "difficulty": 10,
"duration": 10.0, "offer_type": "discount", "id": "fafdcd668e3743c1bb461111dcafc2a4"}
{"reward": 0, "channels": ["email", "mobile", "social"], "difficulty": 0, "duration": 3.0,
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{"reward": 5, "channels": ["web", "email", "mobile", "social"], "difficulty": 5,
"duration": 5.0, "offer_type": "bogo", "id": "f19421c1d4aa40978ebb69ca19b0e20d"}
{"reward": 2, "channels": ["web", "email", "mobile"],
"difficulty": 10, "duration": 7.0, "offer_type": "discount", "id":
"2906b810c7d4411798c6938adc9daaa5"}

```



## Exhibit 6: Profit &amp; Loss Account for Elixir Online 2014 Data

Profit & Loss account of Elixir Online Pvt Ltd., (in Rs. Cr.)	Mar 2014
	12 months
<b>INCOME</b>	
Revenue From Operations [Gross]	-5.56
Less: Excise/Service Tax/Other Levies	0.00
Revenue From Operations [Net]	-5.56
Total Operating Revenues	-5.56
Other Income	0.00
Total Revenue	-5.56
<b>EXPENSES</b>	
Cost Of Materials Consumed	0.00
Purchase Of Stock-In Trade	0.00
Operating And Direct Expenses	0.00
Changes In Inventories Of FG,WIP And Stock-In Trade	0.00
Employee Benefit Expenses	0.02
Finance Costs	0.00
Depreciation And Amortisation Expenses	1.00
Other Expenses	0.02
Total Expenses	1.03
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	-6.59
Exceptional Items	0.00
Profit/Loss Before Tax	-6.59
Tax Expenses-Continued Operations	
Current Tax	0.00
Less: MAT Credit Entitlement	0.00
Deferred Tax	0.00
Tax For Earlier Years	0.00
Total Tax Expenses	0.00
Profit/Loss After Tax And Before ExtraOrdinary Items	-6.60
Profit/Loss From Continuing Operations	-6.60
Profit/Loss For The Period	-6.60
<b>OTHER ADDITIONAL INFORMATION</b>	
<b>EARNINGS PER SHARE</b>	

## TEACHING NOTE

This case is intended to be taught at the Second-year postgraduate level in both Marketing and Analytics specializations. The case highlights the inherent conflict in applying a simple vs. scientific methodology to real-life applications.

The case starts with elucidation of conventional marketing models in designing loyalty programs. It then proceeds to point out the pitfalls of conventional customer acquisition models. From there, it leads into application of more scientific methods such as machine learning algorithms.

Further, it directs the students to debate on the potential advantages and disadvantages of machine learning models. The hypothesis of this case is reliance on voluminous data where these models prove to be strong candidates for applications in a dynamic setting.

Specifically, in this case these models could prove to be effective in designing dynamic loyalty programs resulting in effective customer acquisition and retention models because of their inherent ability to adapt to dynamic changes.

### CASE DISCUSSION QUESTIONS:

1. What are the disadvantages of applying Customer Lifetime Value model in an E-Commerce setting?

The discussion of the case can start by motivating the students play to write down the formula of customer lifetime value. In simpler terms, the CLTV can be defined as follows:

The diagram illustrates the formulas for Lifetime Value (LTV) and Customer Lifetime Value (CLV) using icons and text labels.

**LTV Formula:** LTV = Average Value of Sale × Number of Transactions × Retention Time Period

**CLV Formula:** CLV = LTV × Profit Margin

The diagram uses icons: a dollar sign for LTV, a clock for Average Value of Sale, a number 1 for Number of Transactions, a clock for Retention Time Period, a dollar sign for CLV, another dollar sign for LTV, and a pie chart for Profit Margin.

The discussion could revolve around the simplicity of the formula and the minimum number of variables that are included. They can also be pointed to the dynamic nature of ecommerce business and therefore importance of understanding the role of dynamics. CLV's main problem is its inability to account for changes in behavior of customers. This is especially true in onlinesetting.

The other major drawback is that when customers have a long path to purchase or an extended time between purchases, CLV may struggle to together the pieces of data needed to come up with a meaningful, ongoing calculation of CLV.

Also students can be motivated to list down all the factors that may influence the customer lifetime value irrespective of the one used in the simple formula here.

You can picture any number of variables that might come into play. It can be challenging to determine precisely which interactions with a brand, from marketing to product to customer support and more, are impacting a customer's ability and desire to continue spending.

2. What are the advantages of RFM model? Is Ashish right in concluding RFM model is not right for the current setting?

The discussion from the previous question leads naturally to question number 2 where focus is now on the RFM model. Students can be motivated to give an example of RFM application and start discussion from there.

The simplicity of the model and the wide-application capability of this model can be highlighted through the discussion.

Apart from this, the following factors can be elucidated throughout the discussion:

- A. Although it is used to measure the behaviour of visitors, it cannot be said to be a beneficial method to optimize website visitor's data. However, many companies want to gain new customers as well as retain current customers. It is important to note that RFM segmentation may not help acquire new customers.
- B. RFM analysis includes only three metrics: recency, frequency, and monetary. However, measurements made with these metrics may not always give complete results. More variables may need to be included. This will help to understand the behavior of visitors and customers.

Finally, the discussion can end by highlighting the role of data analytics and machine learning models here. Therefore, this question should end with the conclusion:

*E-commerce companies are changing and developing day by day. Dynamic campaigns and strategies are a must in the e-commerce sector. Therefore, self-learning and automatic segment analysis with the machine learning algorithms can be more valuable and useful.*

### 3. What are the possible machine learning models do you think are applicable in this scenario?

In an e-commerce setting, it is a primary advantage that we can collect a lot of information about the customers and their behaviour during their website visit. This data can be appropriately used to develop many variables that may contribute to the behaviour of the customer in his entire lifetime with the website. Therefore, the student should be motivated to identify the primary advantage of using web analytics through any of the available tools such as Google Analytics.

Since this case study considers and focuses on customer lifetime value, which is numeric variable of interest, the students can be led to think of applying regression family of machine learning algorithms along with a combination of unsupervised learning methods.

### 4. How do you think Machine learning can help in Customer acquisition and retention?

This is a very critical question to answer because the answer for this question is what drives the thinking of the students to apply innovative ways of applying machine learning.

In terms of customer acquisition, students can be motivated to highlight how the machine learning algorithms work. The discussion can revolve around the following points:

Machine learning can leverage the historical data that is collected through use of analytic tools such as Google web analytics. The fact that these models collect a lot of information about the customer visits right from the registration of the customer on the website means the company can leverage every single datapoint of their customers. Prediction becomes accurate because of the huge volume of data that is being used in all these models. Since the prediction is more accurate, once a customer is assigned in a

target segment, it is easier to design loyalty program the test tailor-made for this customer.

The case discussion can then shift focus on the customer retention aspect which is another important element of any loyalty program. Students can be guided to the fact that machine learning methods are good at customer segmentation which makes it possible to target the customers better. Better customer segmentation can then lead to design of appropriate loyalty programs and rewards which will be attractive for the customer. This can convert the customer to buy the product thereby improve the revenue.

5. Give outline of proposed machine learning method and how it could help Ashish retain existing customers in dynamic loyalty program setting.

The discussions so far were only revolving around how it becomes important to use the machine learning algorithms. For this question, students can be probed to think and come up with different solutions.

The key to answering this question is in identifying two different stages of machine learning application:

1. In the first step, elixir online can leverage its historical data to properly segment customers. Segmentation is a natural application for machine learning methods. A lot of machine learning algorithms such as hierarchical clustering, K means algorithm have proven to be useful in customer segmentation. Therefore, the discussion can first start looking at how unsupervised learning methods could be employed in the stage one.
2. The second step is where it gets interesting. This step will involve a kind of experiment where different customer segments are offered different rewards. The results from the experimentation can be fed back to the machine learning method to come up with a better prediction of the rewards. It is also important to instill in the students the fact that all of this happens in a dynamic setting where things change from time to time.

In terms of specific machine learning models, regression family of algorithms listed below could be attempted:

1. Multiple linear regression

2. Ridge regression with regularization
3. Artificial neural networks
4. Support vector machines

Since we have a candidate of multiple models that can be applied, the students can be motivated to highlight the advantages and disadvantages of using all these said methods which includes computational time taken to come up with an answer.

As a final step of the case discussion, apart from this normal family of algorithms, students can also be pointed to a different class of algorithms called reinforcement learning methods. The multi-armed bandit algorithm of reinforcement learning is very simple technique which can be applied in this context.

The instructor can close the case by pointing to the fact the flexibility that is involved in applying methods for both steps one and two that can make or break their application.



LIBA forms men and women for others who excel with ethics. Forming men and women for the corporate world is not in the domain of vocational skills. Instead, it lies in the sacred realm where building character becomes a holistic, integral and formative exercise that helps a student gain a certain facility and ease to face challenges, take calculated risks, and mitigate the risks by which he or she has a deep sense of fulfilment in life.



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