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CUSTOMER DEMOGRAPHIC CHARACTERISTICS AND SERVICE QUALITY PERCEPTIONS IN PUBLIC AND PRIVATE SECTOR BANKS: AN ASSESSMENT

Sonali Jain[1] and Sanjay K. Jain[2]

Notwithstanding marketing literature positing demographics as an important antecedent of consumer behaviour, only a few empirical studies have been undertaken in the past to assess the influence of these antecedents on customers' service quality perceptions. The present study is an endeavor to empirically assess the significance of select demographic characteristics (viz., age, gender, marital status, income, educational qualifications and occupation) on customers' service quality perceptions in the public and private sector banks. Customer perceptions of service quality was measured in terms of overall as well as functional and outcome quality dimensions, and three sub-dimensions of functional quality, viz., reliability, personal interactions and tangibles. Analysis of the collected data reveals only select demographic variables to be affecting service quality perceptions, and that too in respect of only select service quality constructs. The paper concludes with managerial implications and directions for future research.

Keywords: Service quality, Functional quality, Outcome quality, Customer demographics, Public and private sector banks

INTRODUCTION

With increased competition in the market and growing sophistication of the consumers, service quality has emerged as a strategic tool to survive and thrive in the present day marketing environment. Higher service quality leads to not only higher level of customer satisfaction (e.g., Spreng and Mackoy, 1996; Naeem and Saif, 2009; Bedi, 2010; Awan *et al.*, 2011), but also greater customer loyalty (Beerli *et al.*, 2004; Islam and Ali, 2011) and positive word of mouth publicity (e.g., Zeithaml, 1996; Jain, 2012), thus helping service firms attracting new customers as well as increasing their market share and enhancing profitability (e.g., Taylor and Baker, 1994; Zeithaml, 1996; Jain, 2008).

Consumer demographics in the marketing literature have been posited as an important determinants of consumer perceptions and attitudes, and also their decision making process (e.g., Jones and Zufryden, 1982; Hamid, 2008; Kotler and Armstrong, 2010). Because of being an important contributory factor to differences in consumer perceptions and behaviour, consumer demographics can serve as important bases for segmenting the market and evolving differentiated marketing strategies for more effectively catering to the needs and expectations of each customer segment (e.g., Meyers, 1996; Diamantopoulos *et al.*, 2003; Serenko *et al.*, 2006).

Notwithstanding strategic importance of demographics in consumer behaviour, it is ironical that only a few studies in the service sector have been undertaken in the past to empirically examine the influence of

[1] Assistant Professor, Department of Commerce, Bharati College, University of Delhi, Janak Puri, Delhi – 110058. Email id: sonalijain111@gmail.com

[2] Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi – 110007 Email id: skjaindse@hotmail.com

IMPACT OF FOREIGN DIRECT INVESTMENT IN MULTI BRAND RETAIL – A GROUNDED THEORY APPROACH

C S Sharma[1] and Sameer Lama[2]

Accentuating the intriguing anomalies on the various paradigms/parameters of the Indian Economy, this paper examines the intricacies of Foreign Direct Investment in Multi-Brand Retail in Delhi and NCR region. To analyze the major impacts of the Multi-Brand Retail shopping malls around Delhi and NCR regions, a grounded theory approach was adopted. A model has been construed based on the observation of the respondents from different parts of Delhi. The model construed can be used for policy and decision making by the Government, as it incorporates all the major variables that are embedded within the domain of foreign direct investment in multi brand retail.

Keywords: Foreign Direct Investment, Multi Brand Retail, Grounded Theory

INTRODUCTION

India has witnessed a significant growth in Foreign Direct Investment since the liberalization of policy regime in the early 1990s. The World Investment Report (WIP, 2006) has noted that India ranked second as the most attractive investment location in the world, after China. The impact of FDI is clearly visible on all sectors of the economy, as India moves to the new era of globalization. Foreign Direct Investment is now recognised as an important driver of growth in the country. FDI has been viewed through several theoretical lenses, with researchers taking different snapshots of the phenomenon (Sethi, et. al. 2003). In an attempt to fuel more investments in the retail sector, which contributes around 13-14% towards the GDP, the Government on September 14, 2012 broke the shackles and came out with the much needed and highly anticipated reforms regarding FDI in the Multi-Brand Retail Sector.

Moreover, India is in the midst of a retail boom due to shrinkage of population living below the poverty line. The winds of globalization sweeping across have taken the Indian economic environment in its fold and the proposals for further integration have gained momentum (Agarwal & Singh, 2012). However, the antagonism of the anti-reform parties and the resulting power game has brought the reform process to a halt. The review of studies on the subject has shown that a number of studies have been undertaken to examine different aspects of impact of FDI in different parts of the world (Moghe, 2012; Gupta, 2012). Most of these have dwelt on the subject through quantitative analytic approach, thereby (quite ironically) trying to gauge influence on qualitative dimensions of life. The present study approaches the subject of impact of FDI in Multi-Brand Retail from a new perspective by adopting qualitative research method. The present research makes three key contributions to the understanding of impact of FDI in Multi-Brand Retail. First, it studies the impact of FDI on common individuals in the immediate vicinity of the locale of such investment. Secondly, it follows grounded theory approach which permits approaching a subject of study without pre-conceived notions or hypotheses. The study therefore, presents objective, observation-based examination of the impact of FDI. Thirdly, the study develops a theoretical model of the impact of FDI in Multi-Brand Retail.

[1] Director, Maharaja Agrasen Institute of Management Studies, (affiliated to GGSIPU), Rohini, Delhi 110086

[2] Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi 110007

STUDY OF THE RAMIFICATION OF MANDATED CHANGES IN CORPORATE SOCIAL RESPONSIBILITIES IN INDIA

P. K. Haldar[1] and Lokanath Mishra[2]

This is an exploratory study designed to focus upon the ramifications of recent mandated changes in CSR in comparison to what had been previously in vogue. For that purpose, the paper first of all enumerates the CSR practices of 34 Indian pharmaceutical companies for the financial year 2012-13 and then attempt for a reconciliation of that with the CSR rules notified under Schedule VII of the Companies Act, 2013. The paper also examines the impacts of certain corporate attributes on corporate social responsibility disclosures data of the sample companies. The study uses the simple linear regression model to examine the relationship between explanatory variables and corporate social responsibility disclosures and un-weighted relative disclosure index to measure CSR disclosures. The extent of disclosures level is measured using 54 items in compliance with the new CSR framework. The result shows that all the companies under study contribute towards health care programmes, following promotion of primary education & vocational training and environmental sustainability. The result also shows a positive association between Profit after- tax (PAT), Turnover, Net worth and Size of the firm and CSR disclosure. But age of the companies does not affect the level of corporate social responsibility disclosure.

Keywords: Corporate Social Responsibility, Ramification, Changes & Challenges, Corporate Attributes

INTRODUCTION

Corporate Social Responsibility (CSR) moving far ahead from its age old domain of philanthropy and charity has now reached to a new hallmark of Corporate responsiveness and action to social issues and statutory ratification for sustainability in order to advance further towards a new era of collective future action for factoring the sustainable business strategy for good governance and development of the society and its people. But at the face of massive concern for piling up and concentration of global resources and power at the hands of a few business houses, the metaphor of the conceptual radiance of CSR is perhaps inviting a virtual defeat in its purpose. The voluntary odour and philanthropic mind set on a discretionary plane of whims and fancy are perhaps nurturing the corporate liberty as if for a 'go as you like' inclination in CSR practices. All these perhaps confirms the Friedman's contention that the business has only responsibility to operate for profit and has got the responsibility to maximise that profit for shareholders, Corporate executives, as Friedman viewed, is in nowhere to decide allocation of organisational resources to be devoted to resolve social problem. But he perhaps never thought of the contemporary behaviour and attitude of corporate business that has been transforming the capitalist's pursuit of profit to "an extremist ideology" that results in the accumulation of wealth and limitless socio-economic exclusion. No body perhaps thought of the corporate excesses that are and have been taking place in a continued manner and has made the corporate executives in home and abroad as "least trusted people" (Murthy, 2004). Because of that, the corporates have got the urgent need to re-establish their trust worthiness by assuming a role that can nurture a revolution in socio-economic transformation of the society. At the same time, the Government

1 Professor & Head, Department of Commerce & Former Dean, Faculty of Arts & Commerce, Tripura University (A Central University), West Tripura – 799022. Email id: pkhaldar@rediffmail.com

2 Assistant Professor, Institute of Management, JK Lakshmipat University, Jaipur – 302026. Email id: lokanathmishra@jklu.edu.in

CORPORATE DISCLOSURE PRACTICES: A COMPARATIVE STUDY OF INDIA & UK

Simmar Preet[1]

The background of turmoil in corporate governance provides the motivation for this study. The aim of this study is to compare the corporate disclosure practices of the two countries considered to be culturally different - India and the UK. Selection of UK corporate disclosure practices as a benchmark will provide an opportunity to know the areas in which disclosure practices of the Indian corporate sector is lagging behind and need further improvement. The study underscores the cross-national, consolidated and comprehensive study in post-liberalization era which would examine disclosure practices of Indian and UK companies.

Keywords: Corporate Disclosure, Transparency, Financial Disclosure, Corporate Governance, India, UK

INTRODUCTION

Corporate financial reporting is a vital communication system between corporate and users. The increasing complexities of economic & financial events; along with the rise of the efficient capital market have led to the increasing importance of disclosures in financial reporting. Corporate reporting & disclosure of information to the financial community play an important part in building investor's confidence & interest, and in stimulating the developments of capital markets. Disclosure of corporate information assumes more significance in the context of the emerging capital markets. India is one amongst these markets. These markets captured the interest of investors worldwide with their promise of offering substantially higher returns than those at attainable in more developed financial markets like of UK and USA. The worldwide pre-eminence of U.S. and U.K. capital markets has been associated, in part, with the stringent nature of financial reporting in these countries, which in turn resulted in the increased availability of information for decision-making purposes. The relationship between accounting information and the growth of domestic securities markets is a crucial policy issue for developing countries that aim to boost capital inflows to their economies. Despite their potential for significantly higher gains, investments in emerging capital markets are also prone to greater volatility. One of the factors contributing to this volatility is inadequate disclosure of information. Insufficient or unclear information may hamper the ability of markets to function, may increase the cost of capital and result in a poor allocation of resources.

The UK has demonstrated global leadership in both the codification and practice of good corporate governance. Research on corporate governance, disclosure & transparency norms is topical because attention in recent years has focused on this area. Integration of India with the world economy demands that Indian industry confirms to the standard set of international rules. This is reinforced by concern on the part of lending institutions about the functioning of companies financed by them. The significant presence of foreign institutional investors demands greater professionalism on the part of the Indian corporate management.

RESEARCH GAPS

There has been no cross-national, consolidated & comprehensive study in post-liberalization era which would

[1] Assistant Professor, Sri Guru Gobind Singh College of Commerce, University of Delhi, New Delhi – 110088. Email id: preetsimmar@yahoo.com

CSR - A STRATEGY FOR SUSTAINABLE BUSINESS SUCCESS: EVIDENCE FROM INDIAN COMPANIES

Monica Aggarwal[1] and Divya Mehta[2]

The challenge in today's world is of building a sustainable society that requires the adoption of a long-term view and active participation of all members of society, particularly the corporate sector. Corporate social Responsibility holds a very important place in the development scenario of the world today and poses as a tool for sustainable development. To understand the link between sustainable development initiatives and the wealth maximization objective of a company, it becomes imperative to study the link between CSR and business performance of the company. In the light of the above statement, this paper attempts to study the impact of CSR on business performance. To measure CSR, Environmental Social Governance (ESG) scores developed by CRISIL India Ltd are used as a proxy to measure CSR. Business performance is measured by three indicators viz. ROA, ROE and sales. Sampling period is a period of 5 years starting from 2008 to 2012. Data is analyzed using multiple regression analysis. On the basis of results, the study concludes that CSR has a positive impact on the sales for all the sample years and CSR is not significantly related with the profitability measures.

Keywords: CSR, Business performance, ESG Scores, Sustainable Development

INTRODUCTION

India is a country of myriad incongruity. On one hand, it has grown to be one of the largest economies in the world and an increasingly important player in the emerging global order, on the other hand, it is still home to the largest number of people living in absolute poverty (even if the proportion of poor people has decreased) and the largest number of undernourished children. What emerges is a picture of uneven distribution of the benefits of growth which is the root cause of social unrest. Going back to 1940s, Gandhi's concept of trusteeship also entails that the wealth that one generates and holds is to be held in the capacity of trustee of multiple stakeholders and should be used for their benefit. Therefore, Gandhi's ideologies aimed at lessening such unrest that prevailed in the society. Doing something for the society leads to the emergence of the concept of being socially responsible which becomes the basis for CSR. Since the concept of corporate social responsibility is prevalent despite its changing names and definitions. CSR is a concept that though currently does not have a universally accepted definition but each definition underpins the impact that the business have on society at large and the social expectations from them. Corporate social responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and "triple bottom line," are few of the names used interchangeably. These extensive ranges of synonymously used terms indicate that multiple definitions have been devised for CSR, mostly from different perspectives and by those in facilitating roles such as the corporate sector, government agencies, academics and the public sector. As defined by UNIDO, "Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. The basis of the modern definition of CSR is rooted in Archie Carroll's "Pyramid of Corporate Social Responsibility." According to this Pyramid, a corporation has four types of

[1] Research Scholar, Department of Financial Studies, University of Delhi, Delhi – 11 0021. Email: monica11a@rediffmail.com

[2] Research Scholar, Department of Financial Studies, University of Delhi, Delhi - 110021. Email: divzmehta@gmail.com

AN EMPIRICAL ANALYSIS OF THE BEHAVIOURAL FACTORS AFFECTING INDIVIDUAL INVESTMENT DECISIONS

Shilpi Sahi[1], Sonia Kamboj[2] and Sakshi Mittal[3]

Behaviour Finance is an evolving field that studies how behavioural factors affect investment decision making by the individuals. This study attempts to identify the behavioural factors that influence investment decisions of the investors. Hypotheses were formulated to study the behavioural factors and the variation in these factors across different demographic variables. The present study is descriptive in nature. For the purpose of present study primary data was collected through a structured questionnaire by taking a sample size of 45 respondents. Sample selection was based on convenience sampling. Behavioural factors were identified by using principal component analysis, T-test, and ANOVA were used to draw further inferences. Behavioural factors such as herd behaviour, overconfidence were identified using factor analysis. Socially responsible investing is a new form of investing. Awareness among the investors about socially responsible investing was also assessed separately in the study. Socially responsible investing (SRI) is any investment strategy which seeks to consider both financial return and social good while making investment decisions.

Keywords: Behavioural Finance, Individual Investors, Investment Decisions, and Psychological Factors, Socially Responsible Investing.

INTRODUCTION

Classical investment theories are based on the assumption that investors always act in a manner that maximizes their return. People are not always rational and markets are not always efficient. Emotions such as fear and greed often play a pivotal role in investment decision. It is also observed that people in the stock market follow herd mentality and this influence stock price. There are also other causes of investment behaviour. Behaviour Finance is an evolving field that studies how behavioural factors affect investment decision making by the individuals. The study was undertakento identify these factors and also to assess awareness amongst the investors about socially responsible investing specially in the light of new provision in Companies Act 2013. An investor is involved in socially responsible investing when they avoid the stock of companies that produce or sell addictive substances (like alcohol, gambling, and tobacco) and seeking out companies engaged in environmental sustainability and alternative energy/clean technology efforts. In this study investors awareness about socially responsible investing and obstacles in doing socially responsible investing were also studied.

Behavioural Finance versus Traditional Finance

Behavioural finance is considered one of the most controversial branches in the finance area and is gaining wider

[1] Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi 110007. Email id: shilpysahi@gmail.com

[2] Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi 110007. Email id: sonyo.sona@gmail.com

[3] Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi 110007. Email id: Mittal.saaksh@gmail.com

BUSINESS RESPONSIBILITY REPORTING: A STUDY OF INDIAN COMPANIES

Deepti Singh[1]

Adoption of responsible business practices is as vital as financial and operational performance of any business. To bring CSR in management and reporting framework it has been decided to mandate inclusion of Business Responsibility Reports ("BR reports") as part of the Annual Reports for listed entities from 2012-13 onwards (mandatory for BSE 100 companies) by way of inserting Clause 55 in the Listing Agreement. The mandated companies have filed their first BRR in the specified format and it's time to study, compare and assess their reports in order to observe how top companies view and conduct their CSR. The study for the first time maps the business responsibility reporting of 100 top Indian companies listed on BSE against NVG Principles. It seeks to find the more favored areas of CSR by these companies and make a scorecard on Business responsibility based on BRR and find the nature of its relationship with the performance of the company. Though mandatory many companies have yet not furnished their BRR in the annual report and BR Reporting did not have a significant relationship with performance. There is on average 75% compliance and disclosure (based on disclosure score) on suggested CSR norms. On an average BSE 100 companies spend around 1.27% of their profit after tax on CSR activities. This paper will be useful to any Indian company in understanding more about its shortcomings and opportunities in the field.

Keywords: Business Responsibility Report (BRR), Sustainability, Corporate Social Responsibility (CSR), NVG Principles.

INTRODUCTION

Businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance. It is recognized the world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability.

Business, as critical organs of society, cannot succeed in societies that fail. Therefore, they have to be an integral part of the solution. Corporate houses possess enormous capacity to create transformational change through innovative business models that deliver significant societal value even as they generate economic wealth. Shareholder value creation ought to be a reward for societal value creation. Responsible corporate houses create societal value by serving their consumers through competitively superior value propositions, by preserving and replenishing the environment and by innovating strategies that maximise sustainable livelihood creation.

Traditionally, companies have participated in the task of creating societal value through philanthropic activities. This approach, though well intentioned, has its limitations. Confined to philanthropy, corporate houses tend to limit their CSR to only extending financial support to social projects. As a result, there is a disproportionate focus on outlays rather than on outcomes. In such an approach, the capacity to extend financial support far outweighs the

[1] Assistant Professor, Department of Commerce, Motilal Nehru College, University of Delhi, New Delhi – 110021. Email id: deeptirana0502@yahoo.com

DEVELOPING RELATIONSHIPS IN RETAIL: AN INVESTIGATION OF CRITICAL QUALITY ATTRIBUTES

Ekta Duggal[1] and Harsh V. Verma[2]

Service quality can help a firm offer a value laden mix of products and services and build healthy relationships with customers, thereby making the firm proficient among competitors and assuring firm's long term success in the competitive marketplace. This paper aims to explore the contribution of various service quality dimensions towards the establishment of high quality relationships, both at the employee level and the store level in case of retail services. Customers' perceptions towards quality in retail services are analysed to uncover the important service quality parameters contributing towards relationship quality. 'Salespeople' tends to be the most influential service quality aspect contributing towards the formation of relationships with retail customers. The physical aspects of the store and the billing and crowd management services also affect the level of relationship quality to a great extent. Organizations should, thus, be nurtured by a quality-centric approach practiced through efficient and critical service provisions that subscribe towards creating a loyal customer base.

Keywords: Service quality, relationship quality, retail.

INTRODUCTION

Service quality has been recognised as a pertinent issue affecting organizations of all types. The literature on service quality reveals the increasing realization on the part of researchers as well as marketers regarding the importance of maintaining high service quality levels to retain customers as well as attract new customers. In order to survive intense competition and deliver to customers' expectations, organizations should imbibe "quality" approach into company's overall strategy. Service organizations have started designing programs oriented towards assessment and improvement of service quality levels. These initiatives help the organizations to create a market niche.

As a strategic marketing tool, service quality can help marketers drive the organizations towards success and growth. Analysing the multidimensional nature of the service quality construct, marketing managers can assess the relative significance of different dimensions for an organization and develop a logical plan encompassing the company's objectives as well as resources committed towards significant service quality dimensions. The most important dimensions of service quality for an organization can prove to be the critical success factors for the same. Also, service providers need to inculcate the relationship perspective in their marketing strategy to derive the maximum benefits from the quality orientation.

Literature in the last two decades provides evidences in the form of numerous research studies in services based on attempts to articulate the construct of service quality from the view point of building customers' relationships in order to realize the objectives of progressing in the understanding of the quality constructs and subsequently discerning their inter-relationships and their consequences on loyalty (Cronin et al., 2001). In order to establish a premier place in the market, service organizations should exercise effective management over the quality of

1 Assistant Professor, Motilal Nehru College, South Campus, University of Delhi, New Delhi – 110021. Email id: ekta9182@yahoo.co.in

2 Associate Professor, Faculty of Management Studies, University of Delhi, Delhi – 110007. Email id: harshverme@fms.edu

CYBER CRIMES: A STUDY OF SELECTED CASES

Minny Narang[1] and Sunita[2]

In a digital age, where advancements in information technology have helped countries to develop and expand their communication networks, the incidents of cyber-crimes and digital attacks have also increased worldwide. More than 66% of web-users today are the victims of cyber-crimes. Cyber-crime is any illegal activity that uses computer either as a means or as a target to get access to the other person's personal information and/or business data. It includes all kinds of activities ranging from phishing, pharming, identity theft to some serious crimes like cyber stalking, cyber warfare, cyber bullying and cyber-attacks. Despite having cyber laws in place and statutory acts such as Information Technology Act 2000, there has been an increase in the number of cybercrimes in India. This paper seeks to describe the concept of cyber-crimes and the measures to overcome the problems of its investigation and prevention along with describing and analyzing some recent and prominent cybercrime cases.

Keywords: Cybercrimes, Computer crimes, IT Act 2000, Case laws.

INTRODUCTION

One of the fastest growing infrastructural developments is the information and communication technology. The internet today has integrated with itself almost all the things in the world which till date have been functioning without it such as buildings, logistics and military services. Its impact on society goes far beyond setting the basic information infrastructure. If we discuss about the reach of the internet, in 2011, at least 2.3 billion people, that is equivalent to more than one third of the world's total population, had access to the internet. Over 60 per cent of all internet users are in developing countries, with 45 per cent of all internet users below the age of 25 years. By the year 2017, it is estimated that mobile broadband subscriptions would reach 70 per cent of the world's total population. By the year 2020, the number of network devices (the 'internet of things') will outnumber people by six to one, transforming current conceptions of the internet. In the hyper connected world of tomorrow, it will become increasingly hard to imagine a 'computer crime', and perhaps any crime, that does not involve electronic evidence linked with internet protocol (IP) connectivity. With this rapidly increasing demand for computer system and network connections, cybercrimes have also increased. Cybercrime is up six percent from last year according to a new study conducted by the Ponemon Institute in 2012. The results show cyber-attacks have more than doubled over the last three years increasing the financial impact by 40 percent.

Cyber-crimes have not been defined clearly in IT Act, 2000 or in any other Indian legislation. Any crime involving the usage of computer comes under the ambit of cyber-crime. Broadly, cyber-crimes (computer-related crimes) can be defined as any illegal behaviour committed by means of, or in relation to, a computer system or network, including such crimes as illegal possession and offering or distributing information by means of a computer system or network.

- Any contract for the sale or conveyance of immovable property or any interest in such property;

[1] Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi – 110007, Email id: minny.narang9@gmail.com

[2] Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi – 110007, Email id: sunitaa07@gmail.com

A COMPARISON OF SERVICE QUALITY OF INDIAN AND INTERNATIONAL FAST FOOD CHAINS-AN EMPIRICAL INVESTIGATION

Manika Batra[1] and Ruchika Bhateja[2]

Over time, fast food restaurants have been growing rapidly, especially in urban neighborhoods. Fast food outlets have become popular with consumers for several reasons. One is that through economies of scale in purchasing and producing food, these companies can deliver food to consumers at a very low cost. In addition, although some people dislike fast food for its predictability, it can be reassuring to a hungry person in a hurry or far from home. The fast food industry in India *has evolved with the changing lifestyles of the young Indian population. Over a period of time, a number of national and international chains have evolved in India. Service quality, in fact, is assessment of how delivered service conforms to client expectations. The customers' perspective on various dimensions of service quality factors like service ambience, service competencies, service reliability, service promptness etc. are ascertained and analyzed in this paper. The study assumes a greater importance as the players chosen for the study represent highly esteemed national and international fast food chains.*

Keywords: Service Quality, Service Reliability, Service Promptness.

INTRODUCTION

The topic of measuring service quality has been studied widely but new ways to conceive and measure quality in service industry is needed and alternate approaches emerge in the business sector where organizations are increasingly evaluated in terms of their service quality. Quality has become a strategic tool for obtaining efficiency in operations and improved business performance. Services are the activities which involve producing intangible products as education, entertainment, food, transportation, insurance, trade, real estate, consultancy, repair and maintenance like occupation. High quality goods and service are favoured in the marketplace and high service quality performance does produce measurable benefits in profits, cost savings, and market share (Anderson, Fornell, & Lehmam, 1994).

The term **"Fast food"** was first popularized in the 1950s in the United States and recognized in a dictionary by —MerriamWebster in 1951. Food that can be prepared and served very quickly is termed as "fast food". While any meal with low preparation time can be considered to be fast food, typically the term refers to food sold in a restaurant or store with low quality preparation and served to the customer in a packaged form for take-out/take-away. Fast food has been designed to be eaten "on the go," often does not require traditional cutlery, and is eaten as a finger food.

[1] Research Scholar, University School of Management, Kurukshetra University, Kurukshetra -. 136119. Email id: manikabatra@yahoo.com

[2] Assistant Professor, KVA DAV College for Women, Karnal , Haryana - 132001, Email id: ruchika.bhateja87@gmail.com

FINANCIAL PERFORMANCE OF INDIAN COMMERCIAL BANKS: AN ANALYSIS

Kumar Shivam[1] and Rajeev Prabhakar[2]

Financial performance indicates strengths and weaknesses of banks by adequately establishing a relationship between the items of balance sheet and profit-loss account. Analysis of financial performance of banks are the function of combined multiple factors like capital adequacy ratio, assets quality, management efficiency, earning capacity, liquidity and sensitivity to market risk. The objective of paper is to evaluate financial performance of Indian Commercial Banks. The paper is analytical in nature and used secondary data from the year 1998-1999 to 2012-2013 for analysis. The study comprised ten banks for study in which five from public sector and remains from private sector. Paper analyze the performance of banks based on capital adequacy, asset quality, management efficiency, earnings quality, liquidity and sensitivity to market risk and provides a ranking under each parameter by using the methodology of CAMELS approach, ratio analysis and t-test. Quantitative analysis of financial performance of Indian commercial banks was carried out on study and qualitative factors were ignored. The study conclude that there is no significant difference in overall financial performance of public and private sector banks in India but still there is a need to improve for making stable position in competitive market.

Key words: *Financial Performance, Capital Adequacy, Asset Quality, CAMELS Methodology*

INTRODUCTION

Financial sector reforms in India introduced as a part of structural adjustment and economic reforms programme in early 1990s have had a profound impact on the functioning of the financial institutions, especially banks. Banking system is an important channel for achieving healthy economic growth through the financial saving and putting them in productive use. In the year 1969 fourteen public sector banks were nationalized by Indian government with the objective of extending credit facilities to all segments of economy and also to mitigate seasonal imbalances in their availability. Government takes number of steps to improve the performance of banking system in this way in 1980s six other major banks became nationalized. In 1990s after liberalization of Indian economy the government allowanced number of reforms measures based on the recommendations of Narasimham Committee-I (1991) and Narasimham Committee- II (1998) reports were implemented to recover the dark areas in banking sector and raise its potential to great heights. The Narasimham Committee- I conducted a study on the structures, organization, functions and procedures of the financial system and suggested number of measures for improving their productivity and efficiency. Mounting Non-Performing Assets (NPAs) mostly arising from lending money in priority sector was one of its major issues. Narasimham Committee- II was mainly entitled to make a review of the banking sector reforms initiated in 1992. Besides that it also focused on the size of banks and capital adequacy ratio. NPAs mounting values were also matter of serious concern. As a result of which a new legislation was implemented and this came to be known as *Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.* Moreover, the Basel Accord issued by the

[1] Research Scholar, Department of Business Administration, DDU Gorakhpur University, Gorakhpur (UP), India – 273009. Email id: kmr.shivam001@gmail.com

[2] Associate Professor, Department of Commerce, DDU Gorakhpur University, Gorakhpur (U.P.), India – 273009. Email id: rajiv_capricorn2002@rediffmail.com

Department of Commerce
Delhi School of Economics
University of Delhi, Delhi-110007