



#### Submitted for the degree of M.Com under the West Bengal state university

#### The Economic Impact Of ETHICAL HACKINS& CYBER SECURITY

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## **ANNEXURE**-1

# **SUPERVISOR'S CERTIFICATE**

This is to certify that Ms. RITTIKA PAUL student of M.com in Accounting &Finance of **Bhairab Ganguly College** under the (West Bengal stateUniversity)has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title **The Economic Impact of ethical Hacking cyber security**-The Indian Scenario which she is submitting, is her genuine and original work to the best of my knowledge

Name: Dr. Sanjit Kumar Das.

Name of the College: BHAIRABGANGULY COLLEGE.

**Designation: Associate Professor** 



Signature:

Place: Belgharia

Date: 5/09/2021

# Annexure-2:

## **Student's Declaration**

I here by declare that the Project Work with the title-The Economic Impact of Hackings submitted by me for the partial fulfilment of the degree of M.COM in Accounting & Finance under the (West Bengal state university) is my original work and has not been submitted earlier to any other University for the fulfilment of the requirement of any course of study.

I also declare that no chapter of this manuscript in whole origin part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing detailed of such literature in the references.

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# **Abstract**

In modern technical world internet is the main information provider and storing method. The security state on the internet is getting worse. Ethical Hacking techniques are introduced to increase online security in case of identifying ascertained security vulnerabilities related with programs of others. The national and private organizations immigrate most of their crucial data to the internet, hackers and crackers have wide opportunity to yield access to sensory information via the online application. Therefore, the importance of securing the systems from the affliction of immense hacking is to encourage the individuals who will caster back to the illegal attentive attacks on a computer system. Ethical hacking is an examination to revise an information technology surrounding for potential exhausted links .

The purpose of this paper was to study information security threats, information threat, and security threats source with a threat agents. It focused on the meaning of hackers and perceptions of public against hackers within organizations and in the society. The empirical literatures provide the best way to prevent the problems of hacking in the society and shows that white hats, black hats and spy hackers motivation strategies are largely involved and effective to check organizations

performance. It proposes quantitative approach with the design and descriptive for this study. The questionnaires will be used will be selected as a means to collect data with a simple random sample of the company's employees as observers / participants in the study.

Keywords- Hacker, Cracker, Ethicalhackers, Security, vulnarabilities

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# CHAPTERI

# **Introduction**

# **▶ 1.1**Background of the study:

The original meaning of the word "hack" was born at Massachusetts Institute of Technology (MIT) in the US, and originally meant an elegant, witty or inspired way of doing almost anything.

Many early hacks took the form of elaborate practical jokes. In 1994, MIT students put a convincing replica of a campus police car on top of the Institute's Great Dome. Over the years, the meaning changed to become a term associated with breaking into or harming of any kind of computer system.

Newsgroups, Internet relay chat and increasingly, peer-to-peer chat and instant messaging, are buzzing with constant hacker chatter. Net security companies like Trusecure in the US, have the job of keeping an eye on these groups to work out which weak net spot they are planning to attack next.

The company currently tracks more than 11,000 individuals in about 900 different hacking groups and gangs. According to some estimates, there are 5,500 Net vulnerabilities that could be used theoretically to launch an attack, but only 80 or 90 are being used.

Information is esteem, and more corporations have understood that information security dangers can impact business prepare coherence and open picture, relations, can bring about monetary misfortune, impact relations with customers and accomplices and their fulfillment, and additionally make the issues with lawful dominant presences if there should be an occurrence of non- compliance (marchewka, 2014).

The world has turned into a worldwide town because of the broad utilization of the web where with a tick of a mouse, a solitary thought can achieve billions of individuals over the globe. The advantages of information for corporations are obviously incomprehensible.

# **→ 1.2** Objective of the study:

- ❖ Learn about the origins about compute hackings.
- ❖ Learn about some of the motivations for hackers & crackers.

- Learn about technologies that system intruders use learn about malicious code.
- **❖**To know various aspects of network hacking.
- ❖ Various encryption used by us to protect our data on a network.
- How to protect our data by eliminating such disadvantage of such technologies.
- ❖ Ethical hacking offers an objectives analysis of an organizations information security posture for organization of any level of
- ❖ Many a time, hacking is also defined as a form of cyber or internet crime which is punishable by law.

# **→ 1.3** <u>literature Review:</u>

A brief history of hacking-

- 1969: Arpanet, the forerunner of the Internet, is founded. The first network has only four nodes.
- 1971: First e-mail program written by Ray Tomlinson and on Arpanet used which now has 64 nodes.

- 1972: John Draper, also known as Captain Crunch, finds that a toy whistle given away in the cereal with the same name could be used to mimic the 2600 hertz tones phone lines used to set up long distance calls.
- 1980: In October, Arpanet comes to a crashing halt thanks to the accidental distribution of a virus.
- 1983: The internet is formed when Arpanet is split into military and civilian sections. War-games, a film that glamorises hacking, is released. Many hackers later claim it inspired them to start playing around with computers and networks.
- 1986: In August, while following up a 75 cent accounting error in the computer logs at the Lawrence Berkeley Lab at the University of California, Berkeley, network manager Clifford Stoll uncovers evidence of hackers at work. A year-long investigation results in the arrest of the five German hackers responsible.
- 1988: Robert Morris, a graduate student at Cornell University, sets off an

Internet worm programme that quickly replicates itself to over 6,000 hosts bringing almost the whole network to a halt. Morris is arrested soon afterwards and is punished by being fined \$10,000, sentenced to three years on probation and ordered to do 400 hours of community

- 1989: Kevin Mitnick is convicted of stealing software from Digital Equipment and codes for long-distance lines from US telephone company MCI. He is the first person convicted under a new law against gaining access to an interstate computer network for criminal purposes.
- 1993: Kevin Poulsen, Ronald Austin and Justin Peterson are charged with conspiring to rig a radio phone-in competition to win prizes. The trio seized control of phone lines to the radio station ensuring only their calls got through. The group allegedly netted two Porsches, \$20,000 in cash and holidays in Hawaii.
- 1994: A16-year-old music student called Richard Pryce, better known by the hacker alias DataStream Cowboy, is arrested and charged with breaking into hundreds of computers including those at the Griffiths Air Force base, NASA and the Korean Atomic Research Institute.

His online mentor, "Kuji", has not been found. Also this year, a group directed by Russian hackers breaks into the computers of Citi bank and transfers more than \$10 million from customers' accounts. Eventually, Citibank recovered all but \$400,000 of the pilfered money.

- 1995: In February, Kevin Mitnick is arrested for a second time. He is charged with stealing 20,000 credit card numbers. He eventually spends four years in jail and on his release his parole conditions demand that he avoid contact with computers and mobile phones.
- 1996: Popular websites are attacked and defaced in an attempt to protest about the treatment of Kevin Mitnick. The Internet now has over 16 million hosts and is growing rapidly.
- 1999: In March, the Melissa virus goes on the rampage and wreaks havoc with computers worldwide. After a short investigation, the FBI tracks down and arrests the writer of the virus, a 29-year-old New Jersey computer programmer, David L Smith.
- <u>2000</u>: In February, some of the most popular Websites in the world such as

Amazon and Yahoo are almost overwhelmed by being flooded with bogus requests for data.

In May, the ILOVEYOU virus is unleashed and clogs computers Worldwide. Over the coming months, variants of the virus are released that manage to catch out companies that didn't do enough to protect themselves.

In October, Microsoft admits that its corporate network has been hacked and source code for future Windows products has been seen.



# **→ 1.4 Research Methodology:**

#### a. Research method:-

The primary research method for this study is based on literature review and the methodology selected for this proposed study will be detailed here: the planned research design, methods of selection, data collection and analysis of results will be explained. It ishoped that the chosen methodology will provide useful information through the collection and analysis of data on the information security threat and the hackers.

## b. Recommendation and conclusion:

The whole problem with cyber-security presently is that since the cyber-criminal is constantly upgrading his knowledge and methods, most intrusion prevention software applications only deal with the methods previously used. The home user may benefit by subscribing to any one of a variety of news letters that stay

abreast of the hacker world. One such free newsletter can be offered by hacking alert.com.

Therefore, all users must take a large role in understanding the issues regarding cyber security and implementing their solutions. There are few recommendation that being suggested by scholars such as:

- ▲ Education and training; teaching a student to hack is still an issue we face today. Some feels that hacking should be put into curriculum in university and that they will teach students how to improve intrusion. It is same like giving a tools for the students on how to hack is simply like giving a crowbar for a burglar to break into a house. Certain policies need to be applied at university as we never know whether the acquired skills will be used for the good or bad. Policies need to address issue for students who conduct malicious acts by applying security checks on individuals which universities do certain courses such as ethical hacking. For example, a criminal background check, the requirement of some sort of professional certification, and student interviews are a few measures that could potentially weed out several, if not all, all students with potential malevolent intentions.
- **↑ Trusting the potential enemy**; some of skilled professionals use their abilities to harm the society by finding vulnerabilities in the system and attacking them.

This is when we need the ethical hacker that may do the job. Two totally different individual would need to be hired to run tests for companies so that no on individual can have total freedom with anyone System.

- ♠ Risk *management*, ethical hackers can minimize the risk of impact by exploring vulnerabilities beforehand to minimize the risk. Allow the company to undertake penetration test to find if they are vulnerable to attack. There should be some leeway and the hackers should be allowed to use certain tools to help them with their job without any question to identify security vulnerabilities in the company's system.
- ♠ Penetration testing; penetration testing defined as a legal and authorized attempt to locate and successfully exploit computer systems for the purpose of making those systems more secure. Includes probing for vulnerabilities as well as providing proof of concept attacks to demonstrate the vulnerabilities are real. Proper penetration testing always ends with specific recommendations for addressing and fixing the issues that were discovered during the test. This process will help to secure computers and networks against future attacks by finding security issues.

#### c. Data collection sources:

Secondary Data: Secondary data refers to the data which has already been generated and is available for use. The data about Hacking, Economic impacts of hackings, bank accounts & ATM hackings is taken from <a href="https://www.wikipedia.com,www.moneycontrol.com">www.wikipedia.com,www.moneycontrol.com</a>, & <a href="https://www.rbi.org.in">www.rbi.org.in</a>, Books HACKING -JOHN SLAVIO, HAKING THE ART OF EXPLOITATION -JON ERICKSON, Magazine Business India.

# **▶ 1.5** <u>Limitations of the study:</u>

# Advantage of cyber security:

- I. Improved security of cyberspace.
- II. Increase in cyber defence.
- III. Increase in cyber speed.
- IV. Protecting company data and information.
  - V. Protects systems and computers against virus, worms, malware and spyware, etc.
- VI. Protects individual private information.
- VII. Protects networks and resources.

- VIII. Fight against computer hackers and identity theft.
  - IX. Minimizes computer freezing and crashes.
    - X. Gives privacy to users.

# **Disadvantages of Cyber Security:**

- I. It will be costly for average users.
- II. Firewalls can be difficult to configure correctly.
- III. Need to keep updating the new software in order to keep security up to date.
- IV. Make system slower than before.
  - V. Incorrectly configured firewalls may block users from performing certain actions on the Internet, until the firewall configured correctly.

# CHAPTER 2

# CONCEPTUAL FRMEWORK

# **→ 2.1** What is Hacking?

Hacking is the activity of identifying weaknesses in a computer system or a network to exploit the security to gain access to personal data or business data. An example of computer hacking can be: using a password cracking algorithm to gain access to a computer system.

**Local network test** simulates an employee or other authorized person who has a legal connection to the organization's network. The primary defences that must be defeated here are internet firewalls, international web serves, server security measures, and email systems.

In **stolen laptop computer test**, the laptop computer of a key employee, such as an upper level managers, through public sources on the internet. This test represents the most commonly Perceived threat. A well-defended system shouldn't allow this kind of intruder to do anything.

A valid user a valid access to at least some of the organization's computers & networks. This test whether or not insiders with some access can extend that access beyond what has been prescribed. A well-defended system should allow an insider to access only the



areas and resources that the system administrator has assigned to the insider.

## **→ 2.2 What is a hacker?**

A hacker is an individual who uses computer, networking or other skills to overcome a technical problem. The term also may refer to anyone who uses their abilities to gain unauthorized access to systems or networks in order to commit crimes. A hacker may, for example, steal information



to hurt people via identity theft or bring down a system and, often, hold it hostage in order to collect a ransom. The term *hacker* has historically been a divisive one, sometimes being used as a term of admiration for individuals who exhibit a high degree of skill and creativity in their approach to technical problems.

Hacker was first used in the 1960s to describe a programmer or an individual who, in an era of highly constrained computer capabilities, could increase the efficiency of computer code in a way that removed, or *hacked*, excess machine code instructions from a program. It has evolved over the years to refer to someone with an advanced understanding of computers, networking programming or hardware.

# **→ 2.3** Different types of hackers:

In the past, the security community informally used references to hat colour as a way to identify different types of hackers, usually divided into five main types. Hackers are classified according to the intent of their actions. The following list classifies types of hackers according to their intent-

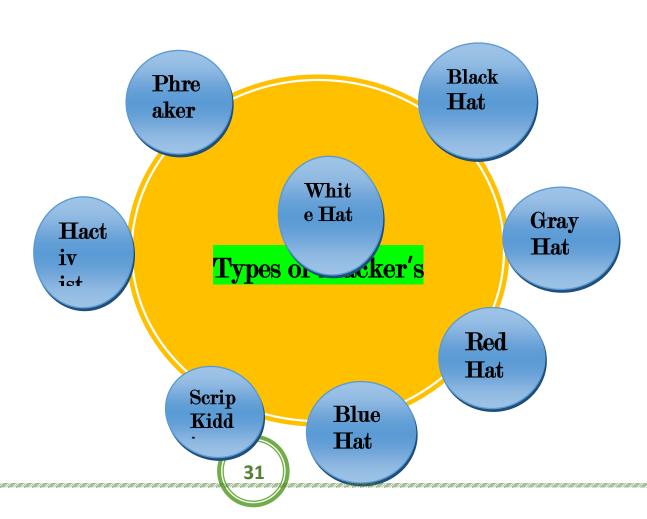
I. <u>Ethical hackers (White hat)</u> or authorized hackers - previously known as *white hat hackers* -- strive to operate in the public's best interest rather than to create turmoil. Many ethical hackers who work doing <u>pen testing</u> were hired to attempt to break into the company's networks to find and report on security vulnerabilities. Kite security firms then help their customers mitigate security issues before criminal hackers can exploit them.

- II. Threat actors(Black hat): or unauthorized hackers -- previously known as black hat hackers -- intentionally gain unauthorized access to networks and systems with malicious intent. This includes stealing data, spreading malware or profiting from ransomware, vandalizing or otherwise damaging systems, often in an attempt to gain notoriety. Threat actors are criminals by definition because they violate laws against accessing systems without authorization, but they may also engage in other illegal activity, including corporate espionage, identity theft and distributed denial-of-service (DDos) attacks.
- III. <u>Grayhat hackers</u>: fall somewhere between ethical hackers and threat actors. While their motives may be similar to those two groups, gray hats are more likely than ethical hackers to access systems without <u>authorization</u>; at the same time, they are more likely than threat actors to avoid doing unnecessary damage to the systems they hack. Although they aren't typically -- or only -- motivated by money, <u>gray</u> hat hackers may offer to fix vulnerabilities they have discovered through their own unauthorized activities rather than using their knowledge to exploit vulnerabilities for illegal profit.
- IV. <u>Red hat hackers:</u> also called *eagle-eyed* or *vigilante hackers*, are similar to ethical hackers. Red hat hackers intend to stop <u>unethical attacks by threat actors.</u> While

red hat hackers may have a similar intent to ethical hackers, they differ in methodology, as red hat hackers may use illegal or extreme courses of action. Often, red hat hackers will deploy cyber attacks toward the systems of threat actors.

- V. <u>Blue hat hackers</u>: also known as *vengeful hackers*, use hacking as a social weapon. Frequently, it is used as a means for revenge against a person, employer or other organization. Hackers who post personal and confidential data online to ruin reputations or attempt to gain unauthorized access to email and social media accounts are classified as blue hats.
- VI. <u>ScriptKiddies</u>: are amateur, inexperienced hackers who attempt to use pre-written scripts in their hacking efforts. Often, these are fledgling hacking enthusiasts who cause little damage.
- VII. <u>Hactivist</u>: are organizations of hackers that use cyber attacks to affect politically motivated change. The purpose is to bring public attention to something the hacktivist believes might be a violation of ethics or human rights. <u>Hacktivism</u> attacks may attempt to reveal evidence of wrongdoing by publicizing private communications, images or information.

VIII. Phreaker: A hacker who identifies and exploits weaknesses in telephones instead of computer



# **→ 2.4** Type of Cybercrime

The following list presents the common types of cybercrimes:

- \* Computer Fraud: Intentional deception for personal gain via the use of computer systems.
- \* Privacy violation: Exposing personal information such as email addresses, phone number, account details, etc. on social media, hacking a websites, etc.
- \* <u>Identity Theft:</u> Stealing personal information from somebody and impersonating that person.
- \* Sharing copyrighted files/information: This involves distributing copyright protected files such as eBooks and computer programs etc.
- \* <u>Electronic funds transfer</u>: This involves gaining an un-authorized access to bank computer networks and making illegal fund transfers.
- \* <u>Electronic money laundering</u>: This involves the use of the computer to launder money.

- \* <u>ATM Fraud</u>: This involves intercepting ATM card details such as account number and PIN numbers. These details are then used to withdraw funds from the intercepted accounts.
- ♣ <u>Denial of Service Attacks</u>: This involves the use of computers in multiple locations to attack servers with a view of shutting them down.
- \* Spam: Sending unauthorized emails. These emails usually contain advertisements.

# **→ 2.5 What is Ethical Hacking?**

Ethical Hacking is identifying weakness in computer systems and/or computer networks and coming with countermeasures that protect the weaknesses. Ethical hackers must abide by the following rules.

- Get written permission from the owner of the computer system and/or computer network before hacking.
- Protect the privacy of the organization been hacked.
- Transparently report all the identified weaknesses in the computer system to the organization.
- · Inform hardware and software vendors of the identified weaknesses.

# **→ 2.6 Types of Hacking:**

We can broadly classify hacking into five different classes based on what a hacker is trying to achieve. They are as follows:

# 1. Website Hacking:

Website hacking can be defined as a way of taking unauthorized control over a website and its related software such as databases and other interfaces.

2. <u>Network Hacking</u>: Network Hacking is a way of gathering all the critical information about a network with an intent to harm the network and block its operations.

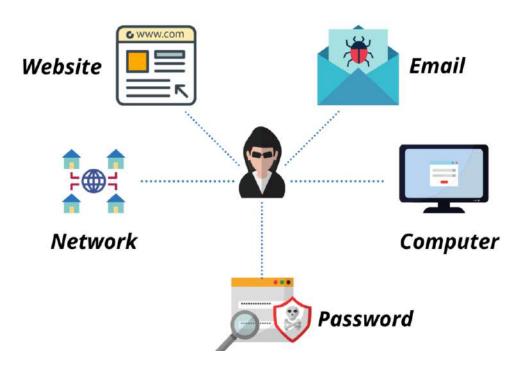
### 3. Email Hacking:

Email Hacking is a way of gaining unauthorized access to an email account to spoof all the emails and send emails containing spam links and third-party threats.

# 4. Password Hacking:

Password Hacking is a way of recovering secret passwords that are stored in a database or transferred over a network.

**5.** Computer Hacking: Computer Hacking is a way of gaining unauthorized access to a computer system by compromising its credentials.



**→ 2.7** What is a Cyber Attack? & Types of Cyber Attacks

A cyber attack refers to an action designed to target a computer or any element of a computerized information system to change, destroy, or steal data, as well as exploit or harm a network. Cyber attacks have been on the rise, in sync with the digitization of business that has become more and more popular in recent years.

While there are dozens of different types of attacks, what follows are the 20 most common cyber attack examples.

# TOP 10 MOST COMMON TYPES OF CYBER ATTACKS OR HACKING TECHNIQUES:

#### i. DoSand DDoS Attacks:

A denial-of-service (DoS) attack is designed to overwhelm the resources of a system to the point where it is unable to reply to legitimate service requests. A distributed denial-of-service (DDoS) attack is similar in that it also seeks to drain the resources of a system. A DDoS attack is initiated by a vast array of malware-infected host

machines controlled by the attacker. These are referred to as "denial of service" attacks because the victim site is unable to provide service to those who want to access it.

DoS and DDoS attacks are different from other types of attacks that enable the hacker to either obtain access to a system or increase the access they currently have. With these types of attacks, the attacker directly benefits from their efforts. With DoS and DDoS attacks, on the other hand, the objective is simply to interrupt the effectiveness of the target's service. If the attacker is hired by a business competitor, they may benefit financially from their efforts.

## ii. MITM Attacks:

Man-in-the-middle (MITM) attacks refer to breaches in <u>cybersecurity</u> that make it possible for an attacker to eavesdrop on the data sent back and forth between two people, networks, or computers. It is called a "man in the middle" attack because the attacker positions themselves in the "middle" or between the two parties trying to communicate. In effect, the attacker is spying on the interaction between the two parties.

In a <u>MITM attack</u>, the two parties involved feel like they are communicating as they normally do. What they do not know is that the person actually sending the message

illicitly modifies or accesses the message before it reaches its destination. Some ways to protect yourself and your organization from MITM attacks is by using strong encryption on access points or to use a virtual private network (VPN).

#### iii. Phishing Attacks:

A <u>phishing attack</u> occurs when a malicious actor sends emails that seem to be coming from trusted, legitimate sources in an attempt to grab sensitive information from the target. Phishing attacks combinesocial engineering and technology and are so-called because the attacker is, in effect, "fishing" for access to a forbidden area by using the "bait" of a seemingly trustworthy sender.

To execute the attack, the bad actor may send a link that brings you to a website that then fools you into downloading malware or giving the attacker your private information. In many cases, the target may not realize they have been compromised, which allows the attacker to go after others in the same organization without anyone suspecting malicious activity.

#### iv. Password Attack:

Passwords are the access verification tool of choice for most people, so figuring out a target's password is an attractive proposition for a hacker. This can be done using a few different methods. Often, people keep copies of their passwords on pieces of paper or sticky notes around or on their desks. An attacker can either find the password themselves or pay someone on the inside to get it for them.

An attacker may also try to intercept network transmissions to grab passwords not encrypted by the network. They can also use social engineering, which convinces the target to input their password to solve a seemingly "important" problem. In other cases, the attacker can simply guess the user's password, particularly if they use a default password or one that is easy to remember such as "1234567."

#### v. SQL Injection Attack:

Structured Query Language (SQL) injection is a common method of taking advantage of websites that depend on databases to serve their users. Clients are computers that get information from servers, and an SQL attack uses an SQL query sent from the client to a database on the server. The command is inserted, or "injected", into a data plane in place of something else that normally goes there, such as a password or login. The server that holds the database then runs the command and the system is penetrated.

For example, the CEO can be kept from accessing areas of the network even if they have the right to know what is inside. Applying a least-privileged policy can prevent not just bad actorsfrom accessing sensitive areas but also those who mean well but accidentally leave their login credentials vulnerable to attackers or leave their workstations running while away from their computers.

#### vi. Web Attacks:

Web attacks refer to threats that target vulnerabilities in web-based applications. Every time you enter information into a web application, you are initiating a command that generates a response. For example, if you are sending money to someone using an online banking application, the data you enter instructs the application to go into your account, take money out, and send it to someone else's account. Attackers work within the frameworks of these kinds of requests and use them to their advantage.

#### vii. <u>Insider Threats:</u>

Sometimes, the most dangerous actors come from within an organization. People within a company's own doors pose a special danger because they typically have access to a variety of systems, and in some cases, admin privileges that enable them to make critical changes to the system or its security policies.

One of the best ways to prevent insider threats is to limit access to sensitive systems to only those who need them to perform their duties. A. The user can only access the secure area if both the password and the number are correct.

#### viii. <u>Trojan Horses:</u>

A Trojan horse attack uses a malicious program that is hidden inside a seemingly legitimate one. This threat gets its name from the story of the Greek soldiers who hid inside a horse to infiltrate the city of Troy and win the war. Once the "gift" was accepted and brought within the gates of Troy, the Greek soldiers jumped out and attacked. In a similar way, an unsuspecting user may welcome an innocent-looking application into their system only to usher in a hidden threat.

To prevent Trojan attacks, users should be instructed not to download or install anything unless its source can be verified. Also, NGFWs can be used to examine data packets for potential threats.

## ix. <u>Birthday Attack:</u>

In a birthday attack, an attacker abuses a security feature: hash algorithms, which are used to verify the authenticity of messages. The hash algorithm is a digital signature, and the receiver of the message checks it before accepting the message as authentic. If a

hacker can create a hash that is identical to what the sender has appended to their message, the hacker can simply replace the sender's message with their own. The receiving device will accept it because it has the right hash.

To prevent birthday attacks, use longer hashes for verification. With each extra digit added to the hash, the odds of creating a matching one decrease significantly.

#### x. Malware Attack:

Malware is a general term for malicious software, hence the "mal" at the start of the word. Malware infects a computer and changes how it functions, destroys data, or spies on the user or network traffic as it passes through. Malware can either spread from one device to another or remain in place, only impacting its host device.

In a malware attack, the software has to be installed on the target device. This requires an action on the part of the user. Therefore, in addition to using firewalls that can detect malware, users should be educated regarding which types of software to avoid, the kinds of links they should verify before clicking, and the emails and attachments they should not engage with.

## **→ 2.8** The Top 5 Ethical Hackers in India:



#### 1. Vivek Ramachandran:

Vivek Ramachandran a top Ethical hacker in India, he is also security researcher, cyber security specialist and the founder of Pentester Academy. He is a B.tech graduate from IIT Guwahati and an advisor to the computer science department's security lab. His field of expertise includes ethical hacking, cyber security, network security, wireless security, exploit researcher. Computer forensics, compliance, and e-Governance, compliance. He discovered the caffeLatte attack, broke WEP cloaking and created Chellam, the first Wi-Fi Firewall. He has written many books which are published worldwide in mid of

2011- Few of his books are" Wireless Penetration Testing" and "The Meta sploit Mega primer".

Vivek started SecurityTube.net in 2007, Youtube which holds the largest collection of security research videos on the web to learn ethical hacking and cyber security. He is also an internationally acclaimed speaker and has spoken in hundreds of conferences worldwide. Some of his known and renowned talks include - "WEP Cloaking Exposed" at Defcon 15, USA, Las Vegas and "The Caffe Latte Attack" at Toorcon, San Diego, USA. Both of these conferences talks were covered extensively by international media BBC Online, The Register, Mac world, Network World, Computer Online etc. He also conducts in-person trainings in the US, Europe and Asia.

Vivek's work on wireless security has been quoted in BBconline, Infoworld, The register, MacWorld, IT World Canada etc. He was recommended in the evening edition of CBS5 in the US where he coached the general public on the dangers of using WEP in wireless. He also worked as Cyber security consultant at Fortune 500 companies in the field of Information Security. The Caffe Latte Attack discovered by Vivek was covered by CBS5 news. Vivek is now a part of Wireless Security textbooks and various other wireless Penetration testing tools.



## 2. Trishneet Arora:

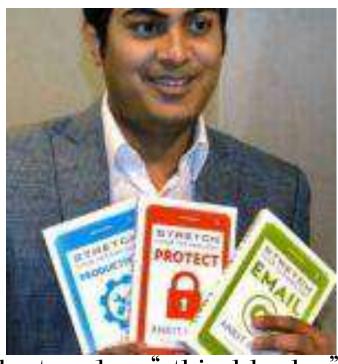
Trishneet Arora is an ethical hacker, entrepreneur who found a TAC Security, a Cyber Security company that provides protection to corporations against data theft and network vulnerabilities. Some of TAC's clients include the Central Bureau of Investigation (CBI), Punjab Police, Gujarat Police, Reliance Industries Limited, Amul, Ralson (India) Ltd, Avon Cycles Ltd, MNCs from Dubai and UK.

In 2014, Trishneet received a State Award by the Chief Minister of Punjab, Mr. Prakash Singh Badal. Following which he was appointed as the IT advisor of Punjab Police Academy. In the same year deputy Chief Minister of Punjab Sukhbir Singh Badal released his second book "Hacking Talk with Trishneet Arora". In 2018 he was awarded

Leaders of Tomorrow by St. Gallen Symposium, Forbes 30 Under 30 by Forbes Asia, Entrepreneur 35 Under 35 by Entrepreneur (magazine), In 2017 he was awarded News Maker of 2017 by Man's World (magazine), The 50 Most Influential Young Indians by GQ Magazine so on, Arora has won many more awards in a row.

Recently, he received the Punjab Icon Award in Mumbai alongside Virender Sehwag, Malvinder Mohan Singh, RS Sodhi, AyushmannKhurrana and Surveen Chawla.

## 3. Ankit Fadia:



Ankit Fadia is an author, speaker, television host, and an "ethical hacker", his field of specialization is OS and Networking based tips and tricks, proxy website and lifestyle.

In 2008 Ankit started a television show on MTV India called "What The Hack", Which he co-hosted with Jose Covaco. This show was mainly about how to make good use of the

internet and answered people's technology-related questions. In 2013, Ankit started with a YouTube channel "Geek On The Loose", in collaboration with PING networks, where he started giving technology related tips and tricks.

After Ankit's first book "The Unofficial Guide to Computer Hacking" came in the limelight, Ankit became popular among the corporate clients in India as well as on the Conference speaking panels. He published more books on Computer Security, started giving seminars across schools and colleges in India. Ankit started providing his own computer security training courses, including the "Ankit Fadia Certified Ethical Hacker" programme in coordination with Reliance World.

## 4. Sunny Vaghela:

Sunny Vaghela founder of Tech defense labs, was graduated from Nirma University. Sunny Vaghela is ethical hacker who exposed the loopholes in SMS and Calls in mobile network at the age of 18. He also launched websites where the complaint against



cybercrime was registered and solved.

Sunny been ethical hacker he also finds loopholes like "Cross-site scripting" and "session Hijacking" in popular websites one among them is "www.orkut.com" at his age of 19. As Ethical Hacker he solved many challenging cases of cyber-crimes for Ahmedabad crime branch including credit card Fraud cases, Biggest Data theft cases, Phishing cases, Orkut fake profile cases, etc.

Sunny Vaghela has also been leading training and consulting team at Techdefence for last 7 years. More than 60000 people are trained under Sunny from 650+ Educational Institution under Hack Track & CCSE verticals of Techendence. He also assists Financial Institutions, E-Commerce, Logistic Industry, and Media.

## 5. Benild Joseph:



Benild Joseph is a renowned Ethical Hacker and also TEDx Speaker, Security Researcher with definitive experience in the field of computer security in India.

He is a renowned speaker at security conferences in India and abroad. He was a speaker at The APWG Vienna Symposium on Global Cybersecurity Awareness Messaging at the United Nations. Benild works with various corporate companies, law enforcement agencies and government organizations. He has also worked on various security projects at International Cyber Threat Task Force (CTTF) and Cyber Security Forum Initiative (CSFI).

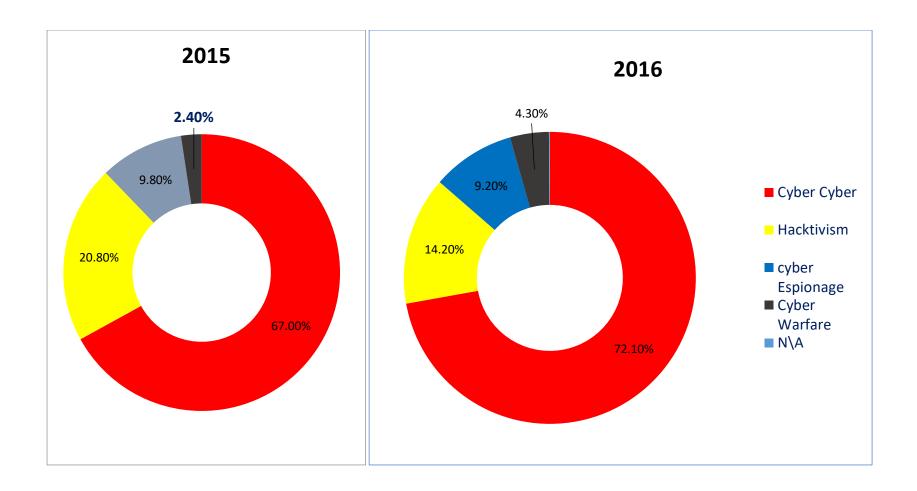
Benild is the author of CCI-book written for law enforcement agencies in India and is also profiled in Ethical Hacking the Hacker-book written by Roger Grimes along with Mark Russinovich, Bruce Schneier, Kevin Mitnick and World's best white hat hackers and is also listed among the Top 10 Ethical Hackers in India by Microsoft Social Forum and Silicon India Magazine. He has been interviewed by various TV channels and Newspapers where he has shared his experiences relating to cyber security and cyber crimes.

# CHAPTER 3

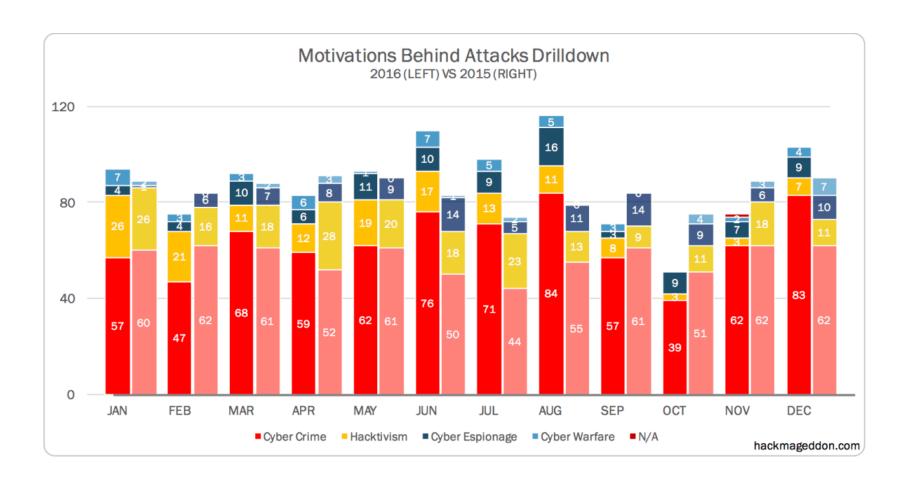
## PRESENTATION&ANALYSIS

## **→ 3.1 Motivation Behind Attacks: 2015 VS 2016**

NAME OF ATTACKS	2015	2016
Cyber crime	67.0%	72.1%
Hacktivism	20.8%	14.2%
Cyber Espionage	9.8%	9.2%
Cyber warfare	2.4%	4.3%
N/A	-	0.1%

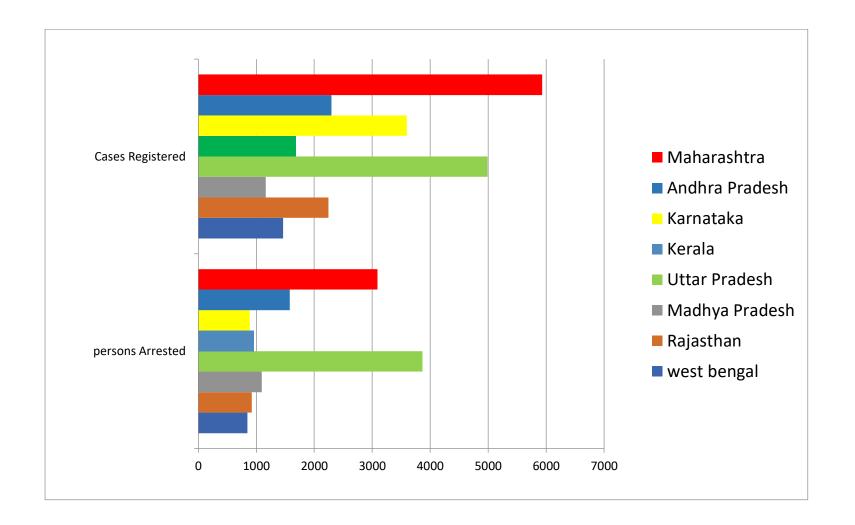


the **Drill Down** chart of the motivations on a monthly basis highlights the differences. Clearly the Summer 2016 was hot also from an Infosec perspective.

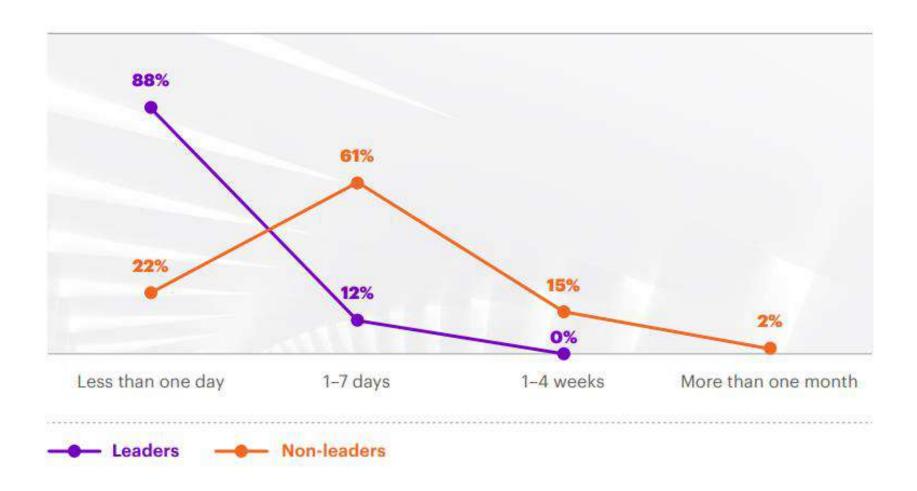


## **3.2** Cyber Crime In States (2011-2015):

States	West Bengal	Rajasthan	Madhya Pradesh	Uttar Pradesh	Kerala	Karnataka	Andhra Pradesh	Maharas htra
persons ARRESTED	847	920	1093	3868	958	888	1577	3088
Cases Registered	1461	2243	1162	4990	1680	3597	2295	5935



## **→ 3.3** Cyber security: An Indian Perspective:



#### A look at a few popular recent attacks on Indian cyberspace:

- In July 2016, a phishing email sent to an employee at Union Bank of India, hackers accessed the credentials to execute a fund transfer, unsuccessfully swindling Union Bank of India of \$171 million.
- The infamous Wannacry Ransomware attack even impacted servers in Indian states such as Andhra Pradesh and West Bengal.
- Popular online grocery service provider, Bigbasket faced a data breach by a group named "Shinyhunters" who reportedly have compromised the data of more than 2 million users.
- F&B giant, Haldiram's were demanded \$750,000 as part of a ransomware attack
- In May 2020, it was reported that data of 40 million Truecaller Indian users was reportedly put out for sale on the dark web.

Rising cyber threats after COVID-19, observes a Deloitte <u>survey</u>, pose serious concerns, especially for Indian banks. Globally, cyber attacks against financial institutions increased 238% during the pandemic between February 2020 and April 2020. Citing IBM's data breach report, Das <u>revealed</u> that the Indian companies incurred an average of 140 million total costs of a data breach in 2020, an increase of 9.4% from 2019. The top 3 root causes of data breaches were categorised as 53% malicious attack, 26% system glitch and 21% human error.

## CHAPTER 4

## **Prevention of cyber attacks**

## **→ 4.1** prevention:

Preventing a breach of your network and its systems requires protection against a variety of cyber attacks. For each attack, the appropriate countermeasure must be deployed/used to deter it from exploiting a vulnerability or weakness. The first line of defence for any organization is to assess and implement security controls.

## Some of the most common ways to prevent cyber attacks include:

- Developing cyber security policies
- •Implementing security awareness training

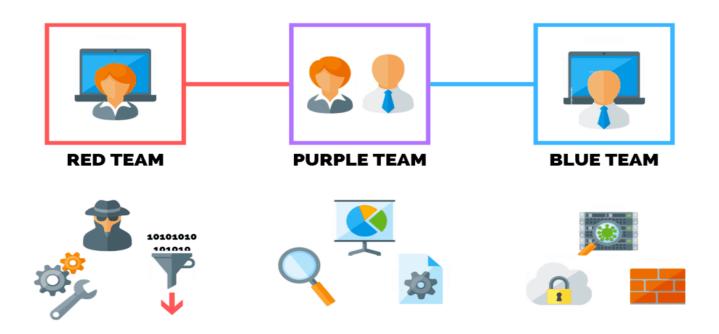
- •Installing spam filters and anti-malware software
- Deploying Next-Generation Firewalls (NGFW)
- •Installing endpoint detection & response (EDR)

Keep in mind that the list above is the bare minimum an organization needs to deter most common attacks.

For advanced cyber attacks, a team of at least 2-3 information security engineers would be required to manage custom software solutions and advanced testing of an organization's environment including:

- Performing vulnerability assessments
- Conducting routine penetration testing
- •Implementing security information and event management (SIEM)
- Deploying intrusion detection & prevent software (IDS and IPS)
- •Creating a data loss prevention (DLP) program

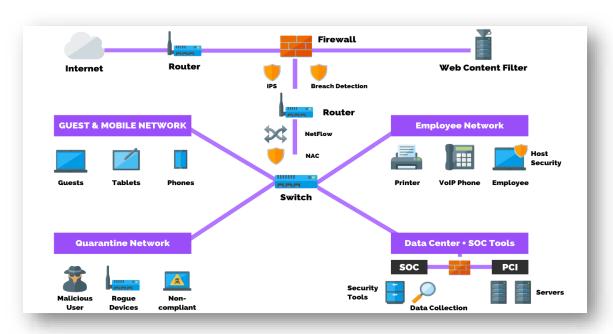
Larger organizations with more mature cyber security programs will also often have dedicated red teams and blue teams that perform exercises to test the effectiveness of their IT security management systems.



In short, blue teams monitor and maintain the defenses of a network and its systems, while red teams simulate real attacks in an attempt to break into

systems either externally or internally. As a result, companies gain a better understanding of the various types of threats that exist.

Finally, the most robust security programs will have a continuous and real-time layer of defence such as a Security Operations Centre (SOC), managed detection and response (MDR), or active threat hunting and analysis.



## **→ 4.2 Top 10 Cyber Crime Prevention Tips:**

#### 1. <u>Use Strong Passwords</u>:

Use different user ID / password combinations for different accounts and avoid writing them down. Make the passwords more complicated by combining letters, numbers, special characters (minimum 10 characters in total) and change them on a regular basis.

## 2. Secure your computer:

## Activate your firewall

Firewalls are the first line of cyber defense; they block connections to unknown or bogus sites and will keep out some types of viruses and hackers.

## Use anti-virus/malware software

## Block spyware attacks

Prevent spyware from infiltrating your computer by installing and updating anti-spyware software.

## 3. Be Social-Media Savvy:

Make sure your social networking profiles (e.g. Facebook, Twitter, Youtube,

MSN, etc.) are set to private. Check your security settings. Be careful what information you post online. Once it is on the Internet, it is there forever!

#### 4. Secure your Mobile Devices:

Be aware that your mobile device is vulnerable to viruses and hackers. Download applications from trusted sources.

## 5. <u>Install the latest operating system updates</u>:

Keep your applications and operating system (e.g. Windows, Mac, Linux) current with the latest system updates. Turn on automatic updates to prevent potential attacks on older software.

#### 6. Protect your Data:

Use encryption for your most sensitive files such as tax returns or financial records, make regular back-ups of all your important data, and store it in another location.

## 7. Secure your wireless network:

Wi-Fi (wireless) networks at home are vulnerable to intrusion if they are not properly secured. Review and modify default settings. Public Wi-Fi, a.k.a. "Hot Spots", are also vulnerable. Avoid conducting financial or corporate transactions on these networks.

#### 8. Protect your e-identity:

Be cautious when giving out personal information such as your name, address, phone number or financial information on the Internet. Make sure

that websites are secure (e.g. when making online purchases) or that you've enabled privacy settings (e.g. when accessing/using social networking sites).

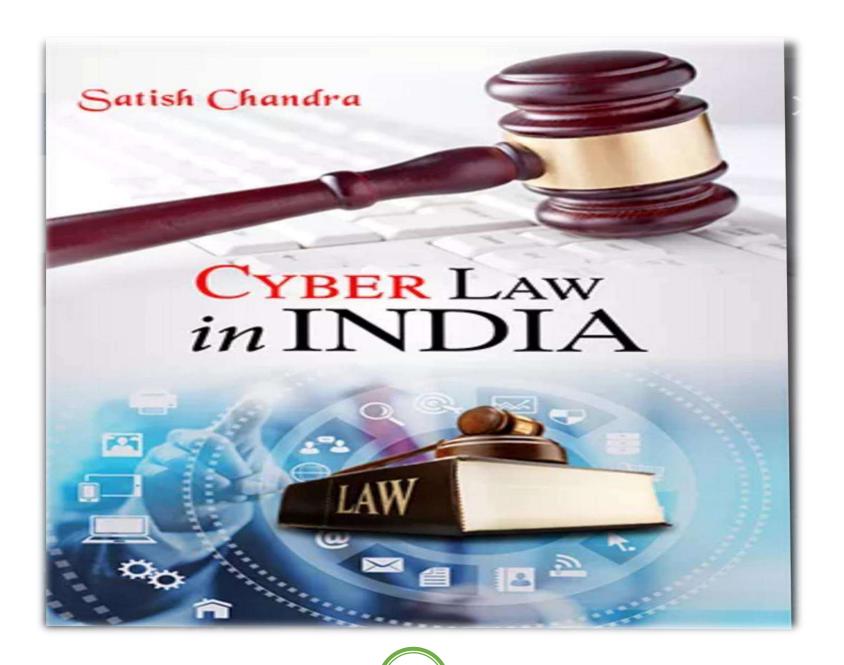
#### 9. Avoid being scammed:

Always think before you click on a link or file of unknown origin. Don't feel pressured by any emails. Check the source of the message. When in doubt, verify the source. Never reply to emails that ask you to verify your information or confirm your user ID or password.

## 10. Call the right person for help:

Don't panic! If you are a victim, if you encounter illegal Internet content (e.g. child exploitation) or if you suspect a computer crime, identity theft or a commercial scam, report this to your local police. If you need help with maintenance or software installation on your computer, consult with your service provider or a certified computer technician.

# CHAPTER 5



## Cyber laws in india

Cyber Laws in India The United Nations Commission on International Trade Law embraced the model law on e-Commerce to spearhead legal uniformity globally in 1996. The General Assembly of the UN-endorsed this model law as the backbone of the cyber laws of different countries. Soon, India became the 12th country to legitimize cyber regulations. Post the initial draft created by the e-Commerce Act led by the Ministry of Commerce in 1998; the revised Information Technology Bill was passed in May 2000. Finally, things came under control, with the inception of the Information Technology Act, back in October 2000. This Act intricately traced each trifling activity or transaction on the internet, cyberspace, and the World Wide Web. Each minuscule action, as well as its reaction in the global cyberspace, imposed severe legal implications and penalty angles. The Act swiftly amended the traditionally-set Indian Penal Code 1860, the Bankers' Books Evidence Act 1891, the Indian Evidence Act 1872, and the Reserve Bank of India Act 1934. These amends aimed to tone up all electronic transactions/communications bringing them under the radar by granting strict legal recognition. One significant step towards this was accepting digital signatures as legal authentication. This had far broader ambitions covering other techdriven authentication forms like bio-metrics. Further, the popularity of electronic

fund transfers and electronic data storage attested to the need and success of the futuristic vision behind the IT Act.

## >> 5.1 Regulatory Framework of Cyber Security Laws:

There are five predominant laws to cover when it comes to cyber security: Information Technology Act, 2000 The Indian cyber laws are governed by the Information Technology Act, penned down back in 2000. The principal impetus of this Act is to offer reliable legal inclusiveness to e-Commerce, facilitating registration of real-time records with the Government. But with the cyber attackers getting sneakier, topped by the human tendency to misuse technology, a series of amendments followed. The ITA, enacted by the Parliament of India, highlights the grievous punishments and penalties safeguarding the e-governance, e-banking, and e-commerce sectors. Now, the scope of ITA has been enhanced to encompass all the latest communication devices. The IT Act is the salient one, guiding the entire Indian legislation to govern cyber crimes rigorously: Section 43 - Applicable to people who damage the computer systems without permission from the owner. The owner can fully claim compensation for the entire damage in such cases. Section 66 - Applicable in case a person is found to dishonestly or fraudulently committing any act referred to in section 43. The imprisonment term in such instances can mount up to three years or a fine of up to Rs. 5 lakh. Section 66B

- Incorporates the punishments for fraudulently receiving stolen communication devices or computers, which confirms a probable three years imprisonment. This term can also be topped by Rs. 1 lakh fine, depending upon the severity. Section 66C - This section scrutinizes the identity thefts related to imposter digital signatures, hacking passwords, or other distinctive identification features. If proven guilty, imprisonment of three years might also be backed by Rs.1 lakh fine. Section 66 D - This section was inserted on-demand, focusing on punishing cheaters doing impersonation using computer resources. Indian Penal Code (IPC) 1980 Identity thefts and associated cyber frauds are embodied in the Indian Penal Code (IPC), 1860 - invoked along with the Information Technology Act of 2000. The primary relevant section of the IPC covers cyber frauds: Forgery (Section 464) Forgery pre-planned for cheating (Section 468) False documentation (Section 465) Presenting a forged document as genuine (Section 471) Reputation damage (Section 469) Companies Act of 2013 The corporate stakeholders refer to the Companies Act of 2013 as the legal obligation necessary for the refinement of daily operations.

## **→ 5.2** Penalties:

Because there are numerous different types of computer and internet crimes, there are also a wide range of potential penalties. Some computer crimes have minor penalties

associated with them, while more serious crimes can impose significant fines and lengthy prison sentences.

- <u>Fines</u>: Fines for a conviction of various computer and internet crimes range widely. A misdemeanor conviction can result in relatively minor fines of a few hundred dollars, and possibly up to a \$1,000 or more, while felony convictions can have fines that exceed \$100,000.
- <u>Jail or prison</u>: A person convicted of certain internet or computer crimes may also face a jail or prison sentence. The most serious crimes, such as possessing child pornography, can result in a prison sentence of 20 years or more.
- <u>Probation</u>: Probation sentences for computer crimes are also possible as either individual penalties or in addition to jail or fines. Probation terms can differ widely, but typically last at least one year and require the person on probation to not commit more crimes, maintain employment, report to a probation officer, and pay all court costs and fines.



# CHAPTER 6

# **CONCLUSIONS & RECOMMENDATIONS**

## **34.1** Conclusi ons:

In India, there is no doubt that a good number of people have turned the ethical use of information and communication technologies into unethical activities. This problem is not peculiar to India alone, but it is a problemworldwide and that is why it becomes imperative thatorganizational data /information must be safeguarded especially these days that almost every business is been line, our investigation on cybercrimes we observed its threat to the economy of a nation and even peace and security. Therefore there is need for a holistic approach to combat these crimes in all ramifications. Our proposal therefore is the need for cyber police who are to be trained specially to handle cybercrimes in India. In addition, the police should have a Central Computer Crime Respo

nseWing to act as an agency to advise the state and otherinvestigative agencies to guide a nd coordinate computercrime investigation. We are also proposing that the countryshou ld set up National Computer Crime Resource Centre, abody, which will comprise exp erts and professionals toestablish rules, regulations and standards of authentication of each citizen's records and the staff of establishments andrecognized organization , firms, industries etc. Forensics commission should be established, which will be responsib le for the training of forensics personnel/lawenforcement agencies. Above all, comprehen sive law tocombat computer and cyber related crimes should be promulgated to fight this phenomenon —to a halt. Our proposal on the nature of law to combat cybercrime is not included in this paper. We recommend that before anybodyenters into any kind of financi al deals with anyone throughthe internet he/she should use any of the search engines tov erify the identity of the unknown.

## **→ 4.2 Recommendations**:

Consumer protection must be a key focus of the 2020 cyber security strategy.

- The 2020 cyber security strategy must be clearly outline the responsibilities of governments in industry in relation to identifying and minimising the risk of cyber threats to consumers.
- The cyber security strategy must be future- focussed and adaptable to emerging technologies and associated cyber threats.
- The 2020cyber security strategy must call for an appraisal of core school curriculums to consider the extent to which cyber security education is embedded into all levels of schooling.
- The 2020 cyber security strategy must assign responsibility to industry for providing information to consumers about the security features of connected devices.

• The 2020cyber security strategy must fund an accessible and inclusive cyber safety consumer education campaign ,to be provided in a range of formats, to inform the general public about cyber security and how to safely navigate the online environment.

# CHAPTER 7

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(Submitted for the Degree of M.Com. in Accounting & Finance under the West Bengal State University)

## RETAIL SECTOR-ONLINE MARKET: FLIPKART

Submitted by

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I, SOURAV MITRA, the student of BHAIRAB GANGULY COLLEGE (P.G), am extremely grateful to "COLLEGE" for the confidence bestowed in meand entrusting my project entitled "RETAIL SECTOR-ONLINE SHOPPING: FLIPKART".

At this juncture I feel deeply honored in expressing my sincere thanks to 'ROZY LASKER' Madam for making the resources available at right time and providing valuable insights leading to the successful completion of my project.

I would also like to thank all the faculty members of college for their critical advice and guidance without which this project would not have been possible.

Last but not the least I place a deep sense of gratitude to my family members and my friends who have been constant source of inspiration during the preparation of this project work.

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## CHAPTER 1: INTRODUCTION

## 1.1 Definition: Online Shopping

Online shopping involves purchasing products or services over the Internet. Online shopping is done through an online shop, e-shop, e-store, virtual store, webshop, Internet shop or online store. All the products in online stores are described through text, with photos and with multimedia files. Many online stores will provide links for extra information about their products. They often make available, safety procedures, instructions, manufacture specification and demonstrations. Some will provide advice or how-to guides. As you are already on the Internet, you can search for product reviews that other consumers may have posted. Some online stores have place for these reviews on their own sites. Many allow users to rate their products. Advice such as this from other consumers, about a product, would be unavailable in a conventional store.

## 1.2 Advantages of Online Shopping

- Easy to Find: Finding a product online is much easier than looking for it in the local store. You can search any product easily by using the search engine feature of an online shopping website. But in store you have to look for it until you find it. Sometime it becomes very annoying when you can't find the product even after looking in the couple of shops. But in online usually we don't have to face this problem. If you don't find a product than you can switch to a new shopping website without wasting your time. For example if you don't find the suitable product in E-bay, you can look for it in the Amazon without wasting your time. On the other hand if you do not find any product in the store you have to go to other store which is more laborious and time consuming.
- Products can be cheaper: Sometime a product can be much cheaper in another country than your country. In this case it would be wise to shop online to save some money .Here is my story, I had a big problem with the air flow sensor of my car. I went to the dealer, and they asked 700\$ for a new air flow sensor. Since my car is old, I am never going to spend that much money for that sensor. I did not have time and patience to look for a spare part from the junk yard. Then an idea popped into my head! I took out the part number and searched it on E-bay, and found plenty of used parts with a very cheap price. I bought the

part and so far my car is running great. I am very thankful to god for creating such an easier way of shopping.

- Save time and energy: You don't have to waste your time in going to store and standing in
  front of the crowd. Who likes to search a product in the every corners of a shop and stand in
  the long line for paying the bill? Shopping from the local store becomes more time
  consuming and expensive if you do not have a car of your own. You can solve all the above
  problems just by shopping online.
- **Freedom of choice**: Freedom of choice is very high in online than shopping from a nearby store. In online you can choose the product you are looking, from a vast range of products.
- Freedom of price flexibility: You will enjoy the freedom of price flexibility. If you don't like the price of a product from an online shop, you can switch to other online to store to look for cheaper price. You can also follow this procedure in normal shop, but it would take more time and energy to do so.
- High satisfaction percentage: Now a day, shopping online is very reliable. The percentage
  of satisfaction is very high. This is why you would see most of the seller has 99%+ positive
  feedback.
- **Buyer protection**: Dependable websites like E-bay provides buyer protection to motivate people to buy from their site. This highly trusted websites will give your money back if any seller do not deliver the item or deliver an item which does not match with the description.
- Rare products: Shopping online is very useful in buying rare products. For example, Few
  days ago I have bought a rare car part through E-bay. The price of the part was very
  affordable too.
- **Privacy:** There are some products which you don't want to buy publicly. You can buy any kind of product from online web store anonymously to maintain your desired privacy.
- **E-business**: The progress of online business is actually helping million of people. Now people can buy and sell from their home. People who cannot afford to buy or rent a shop, can easily open an online store and sell items from their home. This is playing a very important role in reducing the unemployment rate.

## 1.3 Disadvantages of online shopping

- Delay: The main disadvantage of online shopping is, you cannot receive the product immediately. You have to wait until the product arrives. Sometimes it is better to have an item instantly than keep waiting for it for many days. I would prefer to buy an item instantly if the delivery time is too long.
- Inferior products: You don't know about the actual quality of the product. Sometimes the description of the product might be different than the actual product. As a result you might end up with inferior quality product.
- Shipping Charges: Shipping charges and shipping delays is one of the biggest
  disadvantages of shopping online. Items are generally cheaper in online web store. But
  sometime the addition of shipping charge makes the price similar or more expensive than
  your nearby local store.
- Delivery Problems: Sometime you may face Delivery risk. Delivery risk occurs when the seller fails to deliver the original product or delivers a damaged (inferior/duplicate) product due to shipping problems.
- Shopaholic: Since it's very easy to search & purchase different items very easily and quickly from online, many people ends up being a online shopaholic. That means they buy too many things they actually don't need. Sad to say, I think I am one of them! Online Shopaholic people thinks they are saving money because the cost is very low when you shop from online, but sometime it's actually a waste because you don't need them. So, buy smart!
- Scams: As online shopping is becoming very common the number of online scam and fraud is also increasing. This is why a buyer should always buy from trusted websites only because trusted websites would take care of any fraud to maintain their reputation.
- Some items are better to buy from the real Store: You wouldn't like to buy any clothing
  products because you won't be able to know whether they are going to look good on you or
  not.
- Return problems: Returning an item is difficult in case of online shopping. Although seller
  accepts sells return, they usually want the item within a short period of time and you also
  have to pay for the shipping charges.
- Warranty issues: Many electronic items are sold without international warranty. So make sure you contact with the seller to verify whether the item has international warranty or not.

## CHAPTER 2: OBJECTIVES & METHODOLOGY

## 2.1 Objectives:

- To understand the concept of online shopping in India and what are its recent trends.
- To identify the major market players in terms of online shopping and conducting a comparative study.
- To understand the notion of online shopping with respect to male-female preference a case study of Flipkart.

## <u>2.2</u> *Methods* :

**Primary data:** Primary research consists of a collection of original primary data collected by the researcher. It is often undertaken after the researcher has gained some insight into the issue by reviewing secondary research or by analyzing previously collected primary data. It can be accomplished through various methods, including questionnaires and telephone interviews in market research, or experiments and direct observations in the physical sciences, amongst others.

**Secondary data:** Secondary data is data collected by someone other than the user. Common sources of secondary data for social science include censuses, organizational records and data collected through qualitative methodologies or qualitative research. Primary data, by contrast, are collected by the investigator conducting the research.

This study has been conducted based on both primary and secondary data sources, where the information regarding the generalized idea about online shopping and the company profile is based on secondary sources as obtained from company website and various articles. However the authentication of such information is difficult to judge. The information regarding the customer awareness has been collected by employing primary method, where 20 respondents (10 male and 10 female) were interviewed.

## CHAPTER 3: MARKET TREND ANALYSIS

## 3.1 Market Scenario of Online Shopping

India's e-commerce market grew at a staggering 88 per cent in 2013 to \$ 16 billion, riding on booming online retail trends and defying slower economic growth and exponentially increasing inflation.

According to the survey, India's e-commerce market, which stood at \$2.5 billion in 2009, reached \$8.5 billion in 2012 and rose 88 per cent to touch \$16 billion in 2013. The survey estimates the country's e-commerce market to reach \$56 billion by 2023, driven by rising online retail.

To make the most of increasing online shopping trends, more companies are collaborating with daily deal and discount sites, the survey pointed out.

India has Internet base of around 150 million as of August, 2013, the survey said. Having close to 10 per cent of Internet penetration in India throws a very big opportunity for online retailers to grow and expand as future of Internet seems very bright.

- Product Trend Analysis: Besides electronics gadgets, apparel and jewellery, home
  and kitchen appliances, lifestyle accessories like watches, books, beauty products
  and perfumes, baby products witnessed significant upward movement in last one
  year. The products that are sold most are in the tech and fashion category, including
  mobile phones, I-pads, accessories, MP3 players, digital cameras and jewellery,
  among others, it found.
- Location Trend Analysis: As per responses by 3,500 traders and organized retailers in Delhi, Mumbai, Chennai, Bangalore, Ahmadabad and Kolkata who participated in the survey, online shopping grew at a rapid pace in 2013 due to aggressive online discounts, rising fuel prices and availability of abundant online options. Among the cities, Mumbai topped the list of online shoppers followed by Delhi, while Kolkata ranked third, the survey found.
- Age-Wise Analysis: The age-wise analysis revealed that 35 per cent of online shoppers are aged between 18 years and 25 years, 55 per cent between 26 years and 35 years, 8 per cent in the age group of 36-45 years, while only 2 per cent are in the age group of 45-60 years. Besides, 65 per cent of online shoppers are male while 35 per cent are female.

## <u>3.2 Comparison between the Market Rulers in India</u>

#### 3.2.1 Introduction to the Market Rulers

Flipkart.com, Ebay.in and Amazon.in are the three online biggies currently fighting it out to gain the maximum number of online shoppers in India. The three websites have acquired muscles and artillery for the battle in form of investments, which they are currently making and will be making in the future. An outright comparison without mentioning how these websites started and what they went through before reaching where they are would be unfair. Let's have a look at how these websites came in to existence and where they stand today.

#### Flipkart.com

Flipkart.com was founded by Sachin Bansal and Binny Bansal in 2007 as an online retail portal selling books. The company soon expanded into all verticals of online retailing and strengthened itself by acquiring the online electronics retailer Letsbuy.com in 2012. The company has gained a secured footing in India over the years and recently became the first online retailer in India to cross the GMV figure of \$1 billion in March 2014, beating its own expectation of crossing that mark in 2015. It is also the most visited online retailer in India and the brand has a highest recall value among online shoppers.

#### Ebay.in

Ebay.in is an online marketplace that lets buyers meets sellers; the company was founded in 1995 in America and distinguishes itself as being "internet consumer to consumer corporation." The company operates localized portals in 30 countries of the world. Ebay.in started operations in 2005 and has continuously built a regular set of buyers and sellers on the website. Since the company operates as a marketplace it allows sellers to list their products either at a fixed price or have an auction for their products. The company offers buyers "eBay guarantee" so they can be secured that they get only genuine products.

#### Amazon.in

Amazon is the world's largest online retailer. The company was founded in 1994 by Jeff Bezos. The company operates different portals for different countries and "Amazon.in" is the one that operates in India. Apart from being a retailer, Amazon is also a technology company and created "Kindle" which is an eBook reader for customers who download digital books from the website. Amazon was a late entrant in India and has to make it mark among Indian audience.

## 3.2.2 Flipkart.com vs Ebay.in vs Amazon.in

Basis of Distinction	Flipkart.com	Ebay.in	Amazon.in
Working Models	Flipkart.com started as a direct retailer, selling goods directly to consumers and has recently included the marketplace model as well, where sellers can list their products.	Ebay.in has always worked as a marketplace, enabling sellers to meet buyers and the company does not directly retail products.	Amazon has always followed both the models, where it sells products directly and also lets other sellers to sell their goods on its portal.
Pricing Policy	Flipkart.com has fixed price on their products.	Ebay.in allows buyers and sellers to engage in auctions.	Amazon.in has fixed price on their products.
Shipping     Charges	On flipkart.com customers don"t have to pay any shipping charge if they are buying products above rs.500.	Ebay.in has different shipping charges according to the sellers.	Amazon offers some products with free shipping while others are charged for shipping.
Discount Strategy	Flipkart.com offers between 0-30% discount range spread uniformly.	Ebay.in does not have any specific discount range.	Amazon.in offers between 10-40% discount range spread uniformly.
Mode of Payment	Flipkart mentions cash-on- delivery as a mode of payment, along with credit cards, debit cards and net banking.	On eBay, the cash- on-delivery option is available only if a seller offers it.	Amazon doesn't allow such payments for all items. It also levies a delivery charge.

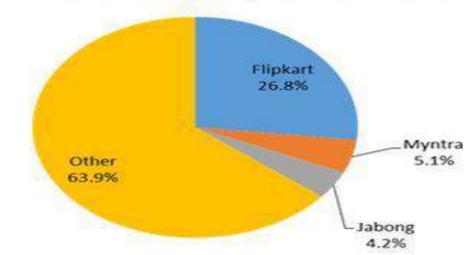
## 3.2.3 Market Share Analysis

Following FLipkart"s & Myntra"s recent merger, ecommerce companies
Flipkart and Myntra are acquiring and incubating private labels to increase their fashion
business. The combined entity is also roping in more international brands
andBollywood celebrities, while increasing the seller base.

It is eyeing a share of about 65 per cent of the online fashion segment in the next 12-18 months. It claims it accounts for half the current market share. Myntra has eight private labels, and it is expected the count might double in a year, though the company did not officially provide any estimate.

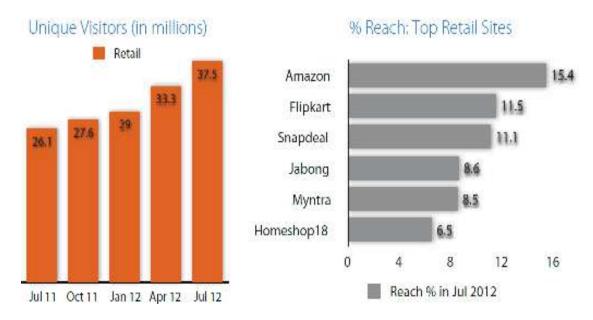
To increase its presence across clothes, footwear and accessories, Flipkart-Myntra is actively considering acquiring some online and offline private labels. It plans to spend about \$100 million in the coming year. "Recently, we set up a fashion incubator, in which 15-20 people will be given support in manufacturing, sampling, supply chain, etc, to grow private labels. After a year, three-four private labels might be acquired by Myntra," said Mukesh Bansal, chief executive of Myntra and head of fashion at both Flipkart and Myntra. Currently, Myntra has about 650 brands on its portal, while Flipkart has a base of about 3,000 sellers.

## Market share per provider 2013



Source: http://india-retail-market-to-reach-2-23-billion-in-2013/

Flipkart Vs Other Companies



Source: http://www.iamwire.com/2012/10/india-among-the-fastest-growing-ecommerce-market-a-report/5329

THE E-TAIL FIGHT	amazon	<b>Stipkert</b>	snapdeall	eb\
Number of products	15 mn	15 mn	5 mn+ *	1.1 mn*
Categories	24	70+	500+	2,000
Sellers	5,000	3,000	100,000	45,000
Time in India	11 months	7 years	4 years	9 years

<sup>\*</sup>Snapdeal's assortment of products is excluding books and movies

Source: <a href="http://thetechpanda.com/2014/05/21/flipkart-takeover-myntra/e-tail-fight/">http://thetechpanda.com/2014/05/21/flipkart-takeover-myntra/e-tail-fight/</a>

<sup>&</sup>quot;eBay has 1.1 million product listings at any given point Source: Companies

## CHAPTER 4: CASE STUDY



## 4.1 Case Study of an Emerging Giant in the Online World –FLIPKART

Innovation brings with itself a new set of challenges. The E-Retailing form of market was fairly something unheard of to the Indian consumer in 2007. Flipkart which has carved a niche for itself in terms of market share, goodwill and popularity in the online market to the extent that retailers are coming under threat because of its discounts and smooth operations. Started with an initial capital of four lakhs it now aims for annual turnover of around Rs.4500 crores. It started off with books and later on started diversifying its market into apparel, electronics, softwares, music, etc. With over seventeen and a half million book titles listed, eighteen different categories, more than four million registered users and sale of fifty-five thousand items a day it squite a sensation in today sonline market. Moreover with such a large area to cover distribution and operational challenges crop up. Another challenge was online payment which the consumers were hesitant to make. Flipkart came up with their unique policy of Cash-On-Delivery. This case study aims to understand the functioning of Flipkart, its methods of operations, distribution, warehousing and delivery systems. The ascent of Flipkart to capture the online market in India in just four years, the strategies implemented by it to create online business ,its ability to stand out among numerous E-Retail

sites. What has Flipkart got that makes its model so robust? It aims to predict the future roadmap and also aims to find significant threats to Flipkart in the near future. Flipkart went live in 2007 with the objective of making books easily available to anyone who had internet access. Today, they're present across various categories including movies, music, games, mobiles, cameras, computers, healthcare and personal products, home appliances and electronics, stationery, perfumes, toys, apparels, shoes - and still counting! Be it their path- breaking services like Cash on Delivery, a 30-day replacement policy, EMI options, free shipping - and of course the great prices that they offer, everything they do revolves around their obsession with providing their customers a memorable online shopping experience. Then there's their dedicated Flipkart delivery partners who work round the clock to personally make sure the packages reach on time. So it's no surprise that they're a favorite online shopping destination. One of the biggest names in the Online Retail Industry and a Leading e-Commerce player in the Country; Founded by Sachin Bansal & Binny Bansal in Bangalore, Karnataka in 2007. Which was started with initial capital of INR 4 lakh contributed by the founders, 7warehouses, offices and delivery centers across India. With over 17.5 million book titles listed, 16 different categories, more than 4 million registered users and sale of 55000 items a day their operations are simply huge. Had 8600+ employees till December 2013. Had a massive Revenue of around 1200 Crores (FY 2012-13) and plans to reach 2500 Crores this year. They worked for Amazon.com before guitting and founding their own company. Initially they used word of mouth marketing to popularize their company. A few months later, the company sold its first book on flipkart.com - John Wood"s Leaving Microsoft to Change the World. Flipkart broke even in March 2010 and claims to have had at least 100% growth every quarter since its founding. The store started with selling books and in 2010 branched out to selling CDs, DVDs, mobile phones & accessories, cameras, computers, computer accessories and peripherals, pens & office supplies, other electronic items such as home appliances, kitchen appliances, personal care gadgets, healthcare products etc.

Flipkart aims at 10 times growth and eyes at \$ 1Billion sales by 2015. They will look at bigger investments in their supply chain and technology. Investment will be made in large warehouses and increased automation of their process, so that the product is not delayed. They intend to enter in to various new categories and expand their current categories as well. Everything except for groceries and automobiles will be available on Flipkart in future. To go further in the value chain, Flipkart is looking at associations with a larger number of suppliers and partners, both nationally and internationally. Flipkart, the first billion dollar Online Company from India (going by 2015 estimates) is by far the leading online store in the nation. Now that Amazon is reportedly entering India in early 2014, this news becomes even more significant, considering that Amazon has previously, and unsuccessfully, tried acquiring the company, with Flipkart demanding a very high buyout price.

## 4.2 Company Profile

Flipkart, which began in 2007 is now as per Alexa traffic rankings, among the top 30 Indian web

sites and has been credited with being India's largest online bookseller. In 2010 they branched

out to selling CDs, DVDs, mobile phones & accessories, cameras, computers, computer accessories and peripherals, pens & office supplies, other electronic items such as home appliances, kitchen appliances, personal care gadgets, health care products etc. Flipkart has over 2 million registered users and ships more than 30,000 items per day.

The advantages of becoming one of the most popular e-commerce websites and thus generating more traffic and revenue through transactions are countered by the disadvantage that Flipkart is now a recognizable target for hackers.

## 4.2.1 Funding

- Initially funded by the Bansals themselves with 4 Lakhs (INR).
- Flipkart has since then raised two rounds of funding from venture capital funds Accel India (in 2009) and Tiger Global Management (up to the tune of US\$10 million) (in 2010).
- Private equity firms Carlyle and General Atlantic are in talks to jointly invest about \$150 million to \$200 million in Flipkart, according to sources.

## 4.2.2 Flipkart's Success Mantra

- Great customer service: Flipkart users are more satisfied than that of their competitors. Great customer service has been its hallmark.
- Easy to use website, hassle free payment system: The user interface is sleek and easy to use.
- Cash on delivery/Card on delivery mode of payment: This has been a major instrument in Flipkart"s success. Almost 60% of its sales happen through this mode. Cash on delivery created trust in the minds of Indian customers who were always weary of making payments online.
- Focused on user experience: Every other e-commerce site, tried to cram the maximum of amount of information possible into every single page whereas Flipkart focused on providing only the relevant info

## 4.2.3 Future Road Map

They aim at 10 times growth and eyes at \$ 1Billion sales by 2015.

- They will look at bigger investments in their supply chain and technology.
- Investment will be made in large warehouses and increased automation of their process, so that the product is not delayed.
- They intend to enter in to various new categories and expand their current categories as well.
- Everything except for groceries and automobiles will be available on Flipkart in future.
- To go further in the value chain, Flipkart is looking at associations with a larger number of suppliers and partners, both nationally and internationally.

## 4.2.4 Threats in future

There are no major foreseeable threats in the future. The company has built a great brand name, they just have to maintain and enhance the same. Need to keep introducing more products, adapting to the changing needs of the customer with time. The entry of Amazon.com in 2012 in the Indian e-commerce space has been cited as a big challenge to Flipkart. However Flipkart is a respected Brand name in India and should be able to compete with Amazon. Amazon being a very big company can bring in serious competition to Flipkart, since Amazon can bear more losses in the beginning to gain customer base. But again Indian market is growing at a rapid pace as access to internet increases and people become more aware of e-commerce sites and start trusting the same; hence Indian market is sufficiently big at-least for these two giants to co-exist beneficially.

## 4.3 Secondary Data Analysis

## 4.3.1 Promotion strategy

#### • Advertisements Used in Newspapers and Magazines

Newspaper advertising works on the fundamental of building trust and confidence with the readers.

Newspapers have the greatest impact because of the following reasons:

Experts say the greater the exposure of the advertisement, the longer is the period of its impact among the readers. Therefore experts feel if an advertisement stays in the memory of a consumer for a longer time, chances are quite probable that he might opt for purchasing or

availing your services as and when required. This counts for higher sales and brand awareness.

A newspaper reader is so involved in his reading that sometimes the content in the advertisements creates an emotional impact on him. It is this power of being able to evoke an emotional response with the reader that goes in favor of newspaper advertising.

In other media, especially online media, people get perturbed by the distractions in the form of pop-ups and other advertisement forms that keep flashing on and off the screen. In fact experts" points out that instead of having any favorable impact, these ads serve to distract the readers.

However newspapers, point out experts, involves a focused reading where there are no disturbing and unwanted flashes of advertisements. As there is no distance between the reader and the story it seems that the reader actually undergoes all the emotions in the story himself, leading to increase in the trust factor. Taking advantage of this trust quotient, advertisers cash on newspapers to send their messages loud and clear among the readers.

Hence, Flipkart has used advertisements in newspapers and magazines which are colorful, bright; most of the images consist of kids, and have clear messages. Here are some of the advertisements used by Flipkart in Newspapers and Magazines.

### Online Advertising

The number of internet users is on a rapid rise worldwide and is used by people of all age and types. Internet has become a major medium for communication, entertainment and is in the process of replacing traditional entertainment, promo products, and informative Medias. Some businesses are finding that handing out a promo product such as pens, business cards, and mugs are too costly and yield little results. Likewise, traditional marketing forms such as television, radio, newspaper, magazines, etc., are becoming a thing of the past.

Internet has also become a major and effective medium for advertising and it has be predicted that the online advertising and marketing is soon going to replace the advertising through traditional medias such as television, radio, newspaper and magazines. I have picked around 10 advantages of online advertising (not in that order) when compared with the traditional offline advertising.

i. Wider Coverage: The online advertising gives your ads a wider coverage and this globally wider coverage helps in making your advertisements reach more audiences, which may ultimately help you in getting better results through your online advertising campaign.

- ii. **Targeted Audiences:** when compared with offline advertising, online advertising always helps you to reach the targeted audience and this helps in making your campaign more profitable and getting more relevant leads.
- iii. Affordable: Another main advantage of online advertising or marketing is the much affordable price when compared with the traditional advertising costs. With a much lesser cost you can advertise on the net for a wider range of audience and geographical locations.
- iv. **Easy to Track and Measure Conversion :** Measurability and easiness to track the conversion makes online advertising miles ahead on the traditional advertising methods. A lot of effective analytics tools are available to measure online advertising campaigns which help in more improvisation of the ads.
- v. **Speed :** Online advertising is much faster than offline advertising and you can start sending out your ads to a wider audience, the moment you start your advertising campaign.
- vi. **Informative**: In online advertising, the advertiser is able to convey more details about the advertisement to the audience and that too at relatively low cost. Most of the online advertising campaigns are composed of a clickable link to a specific landing page, where users get more information about the product mentioned in the ad.
- vii. **Flexible Payment**: Payment flexibility is another added advantage of online advertising and marketing. In offline advertising you need to pay the full amount to the advertising agency irrespective of the results. But in online advertising there is the flexibility of paying for only qualified leads, clicks or impressions.
- viii. **Better ROI**: Since online advertising is mainly focused on performance based payment, you ROI is sure to be far better when compared with offline advertising.
- ix. **Easy Audience Engagement**: Online advertisement makes is easy for the audience to engage with your ads or products. As an advertiser we would be able to get more feedback from the audience and thereby improve the quality of our ads going forward.
- x. Better Branding: Any form of advertising helps in improving the branding and online advertising stands a notch high in improving the branding of your company, service or product.

#### • Tweets about Flipkart

Flipkart stays connected with its users via twitter, they answer most of the queries" put up by their customers and carefully evaluate all the suggestions which were posted in the twitter which keeps the customers happy and in turn keep the management of Flipkart happy.

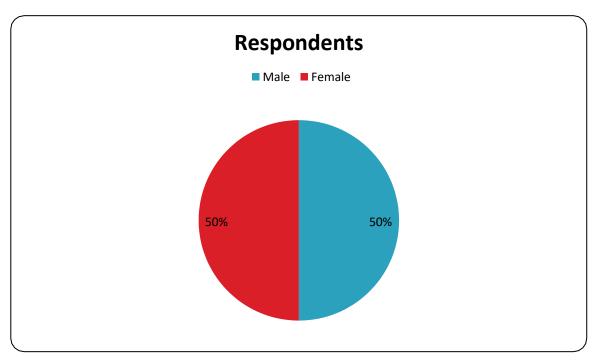
## • Big Billion Day Sale

Flipkart aims to do business of more than 1 billion in one day on 6th October 2014. Flipkart has already achieved its sale target by 2pm but most of the deals didnt proceed anymore. At approx. 2pm, seller accounts of third party vendors on Flipkart have been put as pending i.e no more orders had been taken for the day and products were shown the status as 'out of stock'. A few selected deals continud to be listed, but essentially the sale was over. The main reason behind this move was that Flipkart had already received more than 3,00,000 orders in the first 6 hours of the sale - a number that was the limit of their enormous logistics team to process. They did not risk taking more orders and then fail to process them in dispatch. A wise strategy to avoid bad mouthing on late delivery, however limiting the sale in such a way didl only lead to more complaints from the users.

Throughout the sale, social media was anyway abuzz with complaints against the site crashing and giving errors, orders disappearing from shopper carts and deals going out of stock as soon as they went live. Online shoppers have been continuously checking Flipkart ever hour for new deals and Flipkart didnt inform its users about the sale end.

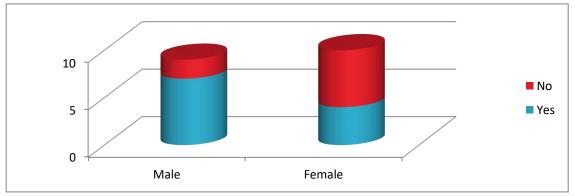
## 4.4 Primary Data Analysis & Interpretations

## Number of respondents and their distribution



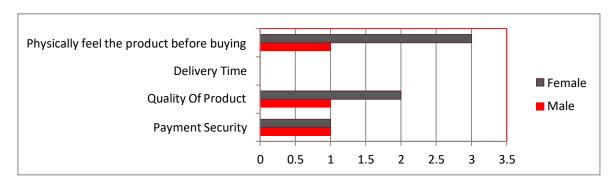
Survey of 20 respondents, where number of female was 10 and that of male were 10.

- 1. Do you prefer online shopping?
- Yes
- No



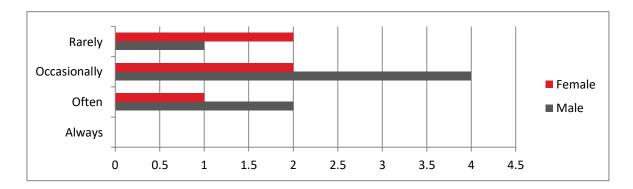
The frequency of purchasing online is seen higher in case of male than in case of females because women are more receptive to other people's opinions, make impulse purchases and devote a lot of time to shopping.

- 2. If 'No' then why?
- Security
- Quality of Product
- Delivery Time
- Physically feel the Product before buying



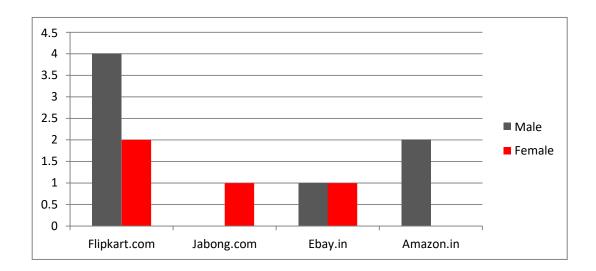
Quality of poduct, inability to touch or feel the product online and payment of security are the major impediments for both the genders on doing online shopping.

- 3. If 'Yes' then how often do you purchase?
  - Always
  - Often
  - Occasionally
  - Rarely



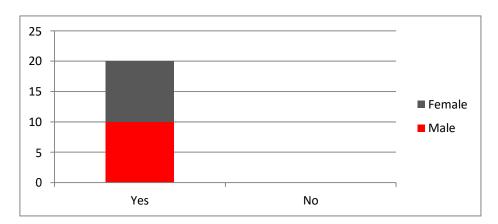
Frequency of purchase done by Male is higher in comparison to female. Most of the males purchase occasionally while most of the females purchase rarely.

- 4. Do you have any specific online shopping destination?
- Flipkart.com
- Jabong.com
- Ebay.in
- Amazon.in



The frequency of purchasing from Flipkart by both males and females is more in comparison to other online shopping sites because the word of mouth strategy by Flipkart is the most successful means of making people aware about them and their products. This success can only be gained through satisfied customers.

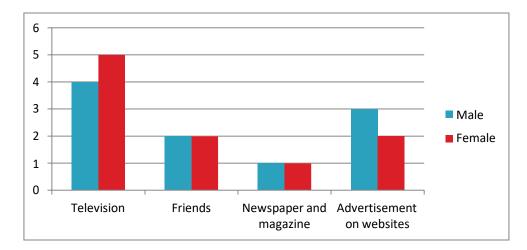
- 5. Have you ever heard about Flipkart?
- Yes
- No



Flipkart has successfully placed itself into the prospects mind making it the India's largest online store with huge range of products.

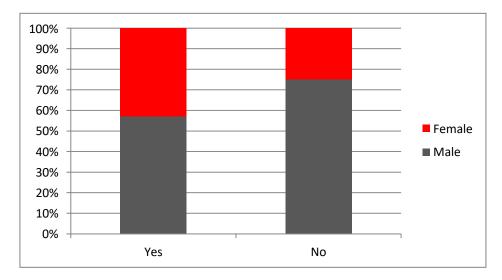
- 6. How did you come to know about Flipkart?
  - Television
  - Friends

- Newspaper and magazines
- Advertisements on websites



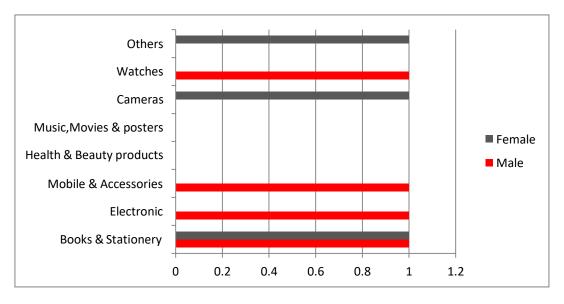
Most of the people came to know about Flipkart through television followed by friends and online advertisements. This proves that word of mouth strategy by Flipkart is the most successful means of making people aware about them and their products. This success can only be gained through satisfied customers who act as advocates for your products.

- 7. Did you ever make a purchase from Flipkart?
  - Yes
  - No



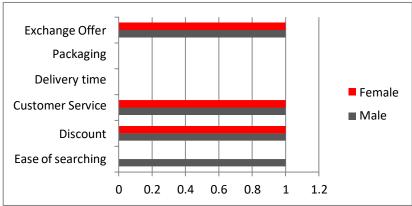
Most of the males purchase from Flipkart. The reason is when it comes to purchases, male shoppers just want to get what they need and get it fast. Ease and access are important components for them.

- 8. What category of products do you purchase from Flipkart?
  - Books and Stationary
  - Electronic Items
  - Mobile and accessories
  - Health and Beauty products
  - Music, movies and posters
  - Cameras
  - Watches



Males purchase more categories of products then females. Books and stationery, Electronic items, Mobile & accessories, cameras, watches and others (bags, belts, etc.) are purchased more. Books & stationery and electronics items are more famous.

- 9. Which of the following features do you like about Flipkart?
  - Ease of searching
  - Discount
  - Customer service
  - Delivery time
  - Packaging
  - Exchange Offer



Apart from packaging and delivery time; Exchange offer, customer service, discount and ease of searching are the features which the people like about Flipkart.

### 10. What you don't like about Flipkart?

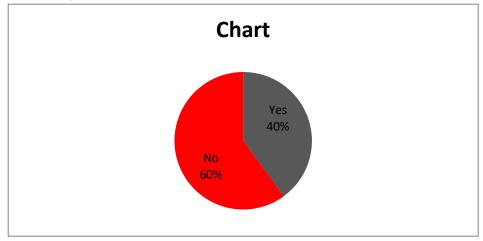
- Delayed delivery
- Packaging
- Less discount as compared to other e-commerce sites
- No complaints



Delayed delivery,less discounts available as compared to other e-commerce sites are the main reasons for disliking Flipkart.

11. Do you prefer online shopping over normal shopping?

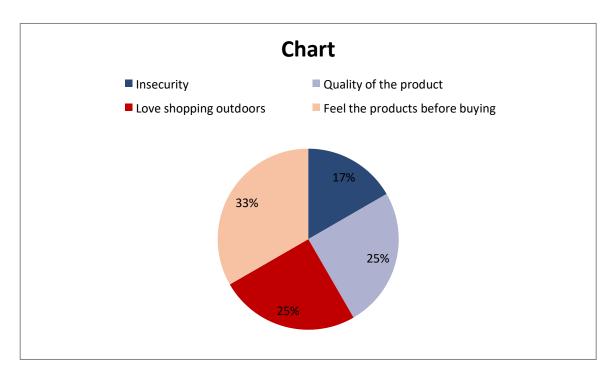
- Yes
- No



60% of the respondents does not prefer online shopping while 40% of the people pefer shopping online rather than shopping outdoors.

## 12. If No then why?

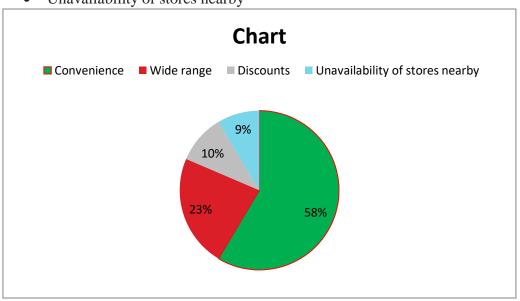
- Insecured about paying online
- Quality of the product
- Love shopping outdoors
- Feel the products physically before buying



Most of the people like to feel the products before buying them. Therefore they prefer buying outdoors.

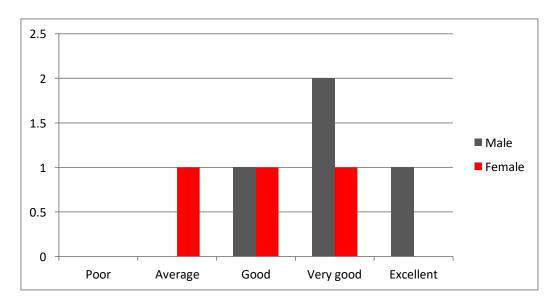
## 13. If yes,then why it is preferable?

- Convenience
- Wide range available
- Discounts
- Unavailability of stores nearby



Convenience being the main reason why most of them want to buy online. Wide range of products are available online. They can choose whatever they want as per there needs.

- 14. How do you rate the online shopping experience from Flipkart?
  - Poor
  - Average
  - Good
  - Very good
  - Excellent



The overall experience from Flipkart is shown above.

## CHAPTER 5 : CONCLUSION

The founders of Flipkart have probably conquered their dreams with the amazing success of Flipkart. Flipkart is something which has really opened up the Indian e-commerce market and that also in a big way.

It was never going to be easy since India has had bad past experiences with e-commerce trading. It was not an easy segment to break into, people were very particular in paying money for something which they had not seen and received. The trust was missing in the Indian customers. So what Flipkart had to do was to instill trust and faith in their customers. And they did exactly the same.

Flipkart began with selling books, since books are easy to procure, target market which reads books is in abundance, books provide more margin, are easy to pack and deliver, do not get damaged in transit and most importantly books are not very expensive, so the amount of money a customer has to spend to try out one's service for one time is very minimal. Flipkart sold only books for the first two years.

The company has built a great brand name, they just have to maintain and enhance the same. Need to keep introducing more products, adapting to the changing needs of the customer with time. The entry of Amazon.com in 2012 in the Indian e-commerce space has been cited as a big challenge to Flipkart. However Flipkart is a respected Brand name in India and should be able to compete with Amazon. Amazon being a very big company can bring in serious competition to Flipkart, since Amazon can bear more losses in the beginning to gain customer base. But again Indian market is growing at a rapid pace as access to internet increases and people become more aware of e-commerce sites and start trusting the same; hence Indian market is sufficiently big at-least for these two giants to co-exist beneficially.

## **Findings**

- Frequency of purchase is more among Men.
- Word of mouth was more influential in promotion as many people were made aware by their friends
- Most of the people are satisfied with the services of flipkart and are willing to recommend them to make purchases from flipkart.
- Except packaging and warranty, all others are considered important in the decision making of online purchases.
- Almost all the factors that Flipkart is focusing onto are of high importance to the people.
- The commercials used by Flipkart are effective enough to convey the message since the ads are interesting enough to gain attention and position itself into the prospects mind.

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- www.hindustantimes.com/technology/industrytrend/how-flipkart-broke-indiasonline-shopping-inertia/so-article1-780440.aspx
- Images from Google Images.com
- Commercials from Youtube.com

# ANNEXURE

#### **Student's Declaration**

I hereby declare that the Project Work with the title RETAIL SECTOR-ONLINE SHOPPING: FLIPKART submitted by me for the partial fulfilment of the degree of M.Com. in Accounting & Finance in Business under the West Bengal State University is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

**NAME: SOURAV MITRA** 

**CLASS: M.COM (SEM IV)** 

**REGISTRATION NO: 1071911401407** 

PLACE: CHITTARANJAN, ASANSOL

DATE:

SIGNATURE:

# BHAIRAB GANGULY COLLEGE

#### AFFILIATED TO

# WEST BENGAL STATE UNIVERSITY

**NAME: SOMALI MONDAL** 

ROLL NO.-: BGC/MCF/SIV/20-202

**REGISTRATION NO.:1071921101406** 

**SEMESTER: IV** 

**SUBJECT:** PROJECT REPORT AND MANAGEMENT

**SUBJECT CODE: MC 405** 

# IMPACT OF COVID-

19

# ON INDIAN HAND SANITIZER MARKET



## **PROJECT REPORT**

Submitted for the degree of M.com under the West Bengal State

University.

IMPACT OF COVID-19 ON INDIAN HAND SANITIZER

Submitted By:

Somali Mondal

REGISTRATION NO.: 1071921101406

Studying in BHAIRAB GANGULY COLLEGE

College Roll No: 97

University Roll NO.-BGC/MCF/SIV/19-202

**SUPERVISED BY** 

Dr. Sanjit Kumar Das
Associate Professor Bhairab Ganguly
College.

# **ACKNOWLEDGEMET**

I take this opportunity to thank the BHAIRAB GANGULY

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Special thanks to my supervisor **Dr. Sanjit Kumar** 

**Das** for his assistance and support without whom I will not be able to complete the project in a wonderful way and also I got to know many things from my Supervisor.

THANK YOU SO MUCH SIR FOR YOUR GUIDANCE

## ANNEXURE- 1

#### SUPERVISOR'S CERTIFICATE

This is to certify that Miss SOMALI MONDAL

Student of M.COM

Bhairab Ganguly College under the (West Bengal State
University) has worked under my supervision and guidance
for her Project Work and prepared a Project Report with
the title –IMPACT OF COVID-19 ON HAND SANITIZER

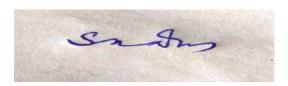
The Indian Scenario which she is submitting, is here genuine and original work to the best of my knowledge.

Name: Dr. Sanjit Kumar Das.

Name of the College: BHAIRAB GANGULY COLLEGE.

**Designation: Associate Professor** 

Signature:



Place: Belgharia

Date:

# ANNEXURE-2:

#### **Student's Declaration**

I hereby declare that the Project Work with the title 
IMPACT OF COVID-19 ON HAND SANITIZER submitted

by me for the partial fulfillment of the degree of M.Com

under the (West Bengal State University) is my original

work and has not been

submitted earlier to any other University for the fulfillment of the requirement of any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing detailed of such literature in the references.

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# CHAPTER 1: INTRODUCTION INTRODUCTION

Hand sanitizers, otherwise known as hand antiseptics is an alternative to hand washing with soap and water. It can be made in different form such as gel, foam and liquid solution (sprays). The base of all hand sanitizers is alcohol. The alcohol used may be isopropyl alcohol (Isopropanol), ethanol- propanol or povidone-iodine. Alcohol based hand sanitizer are more effective in killing microorganisms. An alcohol is any organic compound in which the hydroxyl functional group (OH) is bound to a saturated carbon atom. The primary alcohol usually forms the base of hand sanitizer which is about 60%. Hand sanitizers effectiveness starts with its formula. The base of all hands sanitizers is alcohol, added to vitamin E, aloe vera and glycerine. The essential, and germ killing ingredient in hand sanitizers is the alcohol, and the minimum amount one needs for a sanitizer is 60%. The process of germ killing starts by removing the oil on the skin, the bacteria present in the body from coming to the surface. Then the alcohol kills the bacterial once rubbed over the hands. Hand sanitizers is clearly effective against gastrointestinal and, to a lesser extent, respiratory infections. Alcohol rubs also helps, to kill many different kinds of bacteria and TB bacteria. Medicinal plants are plants used in the management of many ailments and as such there applications are numerous. Examples include turmeric which contains a main bioactive compound curcumin; it has power antiinflammatory effects and is a very strong anti-oxidant. The aim of this study is to produce hand sanitizers from locally grown medicinal plants. CDC recommends washing hands with soap and water whenever possible because hand washing reduces the amounts of all types of germs and chemicals on hands. But if soap and water are not available, using a hand sanitizer with at least 60% alcohol can help to avoid getting sick and spreading germs to others. The guidance for effective hand washing and use of hand sanitizer in community settings was developed based on data from a number of studies. Alcohol-based hand sanitizers can quickly reduce the number of microbes on hands in some situations, but sanitizers do not eliminate all types of germs.

# BACKGROUND OF THE STUDY

The hand sanitizer market was valued at USD 2078.80 million in 2020, and it is expected to register a CAGR of 4.20% during the forecast period, 2021-2026. The hit of COVID-19 has tremendously affected the operations of several key players. Due to the sudden spike in COVID-19 cases, the World Health Organization (WHO) has recommended self prevention using hand sanitizers and regular practice of hand washing. Therefore, these efforts have increased the demand for hand sanitizers due to their convenience and growing awareness regarding sanitization. Moreover, due to the sudden increase in demand for hand sanitizers from April to July (2020), most retailers and pharmacies/drug stores ran out of stock. To counter such situations, government bodies of various countries and companies have struggled hard to meet consumer demand.

For instance, in India, more than 45 distilleries and 564 other manufacturers have been granted permission by the Indian government to produce hand sanitizers. Additionally, more than 55 distilleries are likely to be permitted in one or two days, and many more are being motivated to manufacture sanitizers in this scenario.

Rising awareness among consumers regarding the importance and significance of hand hygiene to prevent transmissible diseases is expected to boost the market growth. The portability and convenience served by hand sanitizers over hand washes are drawing a substantial consumer base, majorly augmenting the sales of gel-type sanitizers. The major companies operating in the market are adopting various strategies, such as promotional campaigns and media coverage, to increase their market shares.

By distribution channel, hypermarkets/supermarkets and pharmaceutical stores lead the industry, owing to consumers' attitude toward the conventional way of shopping and the channels' ability to attract maximum consumers seeking expediency and a wider variety of product ranges to choose from.

## LITERATURE REVIEW

There are a number of literatures available in the websites regarding the above mentioned issues. However, few of them have been discussed here.

Simran R Kalyani (2021) focused on the impact of Covod-19 on the use of personal products in India with special reference to hygiene and sanitization products and argued that the use of sanitization products has been increased by leaps and bounds during this pandemic period.

Dr.V V Devi Prasad Kotni (2020) highlighted the consumer decision making process on the use of sanitizer during the pandemic period and mentioned that they always preferred for herbal products.

Dr.R.C.Sharma (2019) explores the factors that influence the buyers at the time of purchase of hand sanitizers. He also vividly discussed the social norms that create impact on the consumers at the time of purchasing the products. He opined that consumers are very much watchful about the incidents happening in the society.

Anute Nilesh (2018) opined that there is a high correlation between consumers' income and purchasing pattern of hygiene products of the consumers. He argued that the expenditure of the consumers for purchasing sanitizer have increased a lot during the pandemic period.

Ezlika Ghazali (2017) mainly focused on the use of organic sanitization products among the consumers elsewhere and mentioned that most of the consumers are well concerned about the hygiene issues.

# OBJECTIVE OF THE STUDY

#### The basic objectives of the study has been narrated below

- To identify the most preferred type of sanitizer brand in India.
- To know the percentage change of consumer buying behavior of hand sanitizer.
- To destroy potentially harmful micro-organisms.
- To prevent the hands in becoming a vector cross infection.
- Render the hands socially clean in order to delivery of health care.

# RESEARCH METHODOLOGY

Research based on hand sanitizer is present in medical fields so, I have tried my best to gather information from different sites of internet as due to this pandemic situation. However, I have tried to collect primary data from the respondents in the neighborhood through structured questionnaire. I have used this to gain an understanding of underlying reasons, opinions, and motivation. It also provides insights into the problems or helps to develop hypothesis for potential quantitative type descriptive research. Once I understood the things very well after conducting pilot surveys, going through literature, WHO reports continuously. I assumed certain things that will describe the buying behavior pattern of Hand Sanitizers in the future. Due to the pandemic situation I have taken a small survey of 50 respondents near my house who are easily available like family, neighbors, friends, students, job aspirants etc.

# CHAPTER 2:

# <u>AN ANALYSIS OF INDIAN HAND</u> SANITIZER MARKET

### MARKET DYNAMICS

The hand sanitizer market in India is being driven by the growing demand for cleanliness and hygiene. Due to the COVID-19 outbreak, the market for hand sanitizer is exponentially growing. It is expected to have a healthy growth over the forecast period of 2021-2026. The market is further growing due to the emergence of innovative formats of hand sanitizer to meet the urgent demand of the consumers. Several brands are designing hand sanitizers to provide effective preventive hygiene across the nation.

Hand sanitizer or hand anti-septic is a sanitizing agent, which comes in varied forms to be applied on hands in order to remove different disease-causing pathogens. It is used to inhibit the spread of disease by the transmission of germs and infections via hands. Ethyl alcohol, isopropyl alcohol, or a combination of both is used as active ingredients in hand sanitizer.

## IMPACT OF COVID-19

With the sudden outbreak of the COVID-19 pandemic, the World Health Organization (WHO) has recommended the use of hand sanitizers for self-preservation and minimizing the spread of the Corona virus The increasing number of deaths caused by the virus has further triggered an alarming response from consumers, thereby increasing the emphasis on hand hygiene as a preventive measure from contracting the infection. Moreover, the implementation of the Swatch Bharat Mission by the Government of India and various other campaigns by the private organizations that involve providing

hand sanitizers at railway stations, hospitals, shopping malls and educational institutes has also created a positive impact on the product demand.

The market is also driven by the launch of perfumed hand sanitizers infused with floral and fruit fragrances, such as rose, green apple, peach, orange and sandal. Product manufacturers are developing easy-to-use and portable foam and gel-based sanitizers in sachets and mini-plastic bottles. Manufacturers are also producing novel hands-free, battery- and foot-operated dispensers, which aid in minimizing the contact and the risks of cross-contamination. The dispensers are equipped with automatic infrared sensors that detect the heat emitted from the hand and trigger the pump to dispense the sanitizer.

#### RISING HEALTH CONCIOUSNESS AMONG MASSES

The increasing demand for hand sanitizers is further supported by the rising prevalence of various gastrointestinal, respiratory and skin infections among the masses. Alcohol-based hand sanitizers can minimize the transmission of harmful bacteria and viruses present on the skin or palm of the hands, thereby reducing the instances of stomach infections, diarrhea, and nausea and vomiting. Hospitals and healthcare centers are also widely using hand sanitizers to prevent the transmission of hospital-acquired infections (HAIs). In comparison to the traditionally used hand washes and soaps, hand sanitizers are more effective in disinfecting and minimizing dryness and irritation on the skin. Product manufacturers are developing sanitizers with natural and organic ingredients that do not cause allergies and are non-toxic in nature.

#### ONLINE PRODUCT A VAILABILITY

The market is also driven by the proliferation of online retail channels and social media platforms. Consumers are increasingly becoming aware of the availability of premium personal care and hygiene products and are widely adopting healthy lifestyles. Product vendors are using innovative marketing strategies to promote sanitation products through influential celebrities and sports personalities to reach and attract a broader consumer base. They are also developing attractive packaging to grab the consumer's attention and provide them with an authentic and luxurious experience through their high-quality products. Through online retail platforms, consumers are now able to place orders from the convenience of their homes and the product manufacturers and vendors are able to reach the audiences present in remote locations.

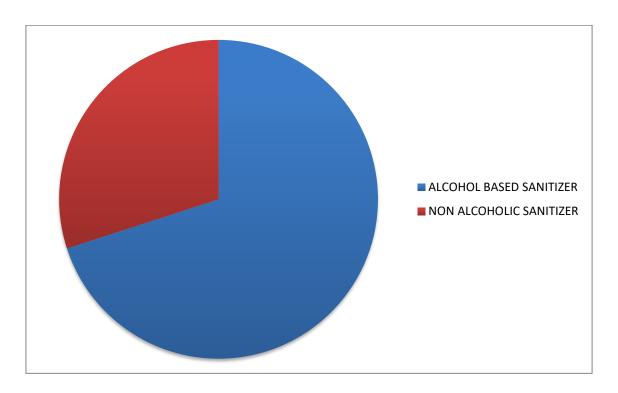
#### MARKET SEGMENTATION

IMARC Group provides an analysis of the key trends in each sub-segment of the India hand sanitizer market report, along with forecasts for growth at the region level from 2021-2026. Our report has categorized the market based on type, ingredient, product form, pack size, end-use, and distribution channel.

## **Breakup by Type:**

- · Alcohol- Based
- Non-Alcoholic

# India Hand Sanitizer Market Share, By Type (in US\$ Million)

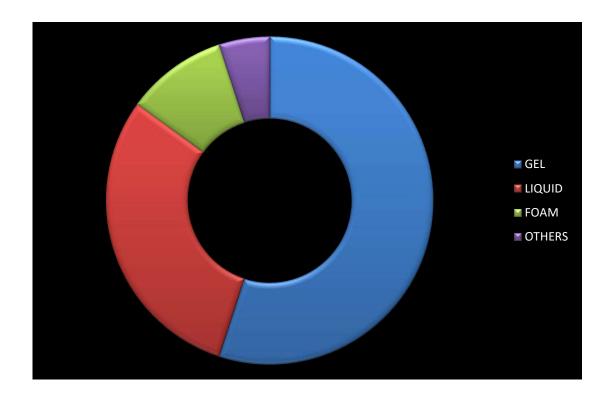


# Breakup by Ingredient:

- Natural
- Organic
- Synthetic

## Breakup by Product Form:

- Gel
- Liquid
- Foam
- Others

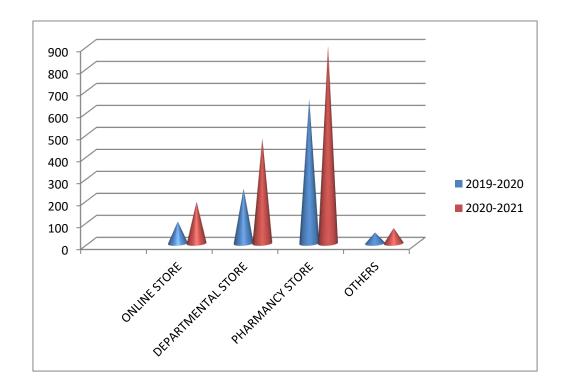


## Breakup by Pack Size:

- Small
- Medium
- Large

## Breakup by Distribution Channel:

- Pharmacies
- Supermarkets and Hypermarkets
- Departmental Stores
- Online
- Others



## Breakup by End-Use:

- Hospitals
- Households
- Restaurants and Hotels
- Others

## Breakup by Region:

- West India
- South India
- North India
- East India

### COMPETITIVE LANDSCAPE

The competitive landscape of the industry has also been examined with some of the key players being ITC Limited, Dabur India Limited, Hindustan Unilever Limited, The Himalaya Drug Company, Reckitt Benckiser (India) Ltd, Godrej Consumer Products Ltd., Cossmic India Pvt. Ltd., Cipla, Piramal Enterprise, Marico ltd, Sachdeva Enterprise etc.

#### DETTOL DISINFECTANT SANITIZER SPRAY



Dettol, the most popular brands in India also offers a disinfectant spray. It offers protection from a hundred illness-causing germs and can be used on both hard and soft surfaces. The disinfectant spray leaves behind original pine fragrance, allowing you to use without worrying about any bad smells. It evaporated within ten seconds of being sprayed.

## SAVLON SURFACE DISINFECTANT SPRAY



The Savlon Surface Disinfectant spray can be used on both hard and soft surfaces at home. It eliminates 99.99% of germs, including antibiotic resistant germs, offering good protection for your family. It can be used to eliminate viruses, bacteria, mold and fungi. As per the company, it can eliminate H1N1 virus, Rotavirus and Corona virus.

## TRI-ACTIV DISINFECTANT SPRAY





The Tri-Active disinfectant spray offers protection from virus, bacteria and germs. It eliminates 99.99% of illness causing germs, offering complete protection for your family. It is also effective against mold and fungi and leaves behind a pleasant fragrance. The spray comes in a pack of two cans of 230 ml each.

# MARICO'S TRAVEL PROTECT SURFACE DISINFECTANT SPRAY



The Marico Travel Protect surface disinfectant spray is effective against viruses, fungi and bacteria. It eliminates over 99.99% of germs, offering protection for your family. It is suitable for both hard and soft surfaces and can also be used on your smart phone. It can also be used on skin, allowing you to disinfect yourself.

### CIPLA CIPHANDS DAILY DISINFECTANT SPRAY



The Cipla Ciphands disinfectant spray is suitable for all surfaces and no wiping is required after spraying it. It comes with an instant action formula that works on both hard and soft surfaces. It eliminates 99.99% of germs and is effective against bacteria, fungi and viruses. It offers quick action within thirty seconds of spraying it.

## LIFEBUOY ANTIBACTERIAL GERM KILL SPRAY



The Lifebuoy antibacterial germ kill spray is effective against illness causing bacteria and viruses. It eliminates 99.99% of bacteria and viruses, making it a good option for your family. It can be used on surfaces as well as your skin. It has a no gas formula and guarantees 1100 sprays per bottle.

## CHAPTER:3 FUTURE TRENDS

### MARKET FORECAST

The India hand sanitizer market reached a value of US\$ 123.5 Million in 2020. Looking forward, the market is expected to grow at a CAGR of around 13% during 2021-2026. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic. These insights are included in the report market contributor.

A hand sanitizer, or a hand rub, is an antiseptic solution applied on the hands to remove disease-causing pathogens from the skin. It is commonly available in foam, gel and liquid-based variants and consists of alcohol, water, emollients, polyacrylates, artificial and natural colors and fragrances. The alcohol used in hand sanitizers includes isopropanol and ethanol, which instantly denatures the proteins and destroys lipid-based coatings of certain viruses and bacteria. Emollients and other ingredients are added in small quantities to protect the skin from dryness caused by the alcohol, neutralize the acidic effects of polyacrylate and enhance the smell and appearance of the product. The water acts as a carrier for the ingredients and bonds well with the hydro gel. Currently, alcohol-free variants are also available, which are manufactured using glycerin, thickening agents and disinfectants, such as benzalkonium chloride (BAC) and other antimicrobial agents. These hand sanitizers also contain humectants that attract and lock moisture in the hands and do not remove natural oils from the skin despite repetitive use.

# <u>MARKET, 2020-2025 (IN US\$ MILLION)</u>



## MARKET CHALLENGE

Risks in competitions with global player .This research study examines the current market trends related to the demand, supply, and sales, in addition to the recent developments. Major drivers, restraints, and opportunities have been covered to provide an exhaustive picture of the market. The analysis presents in-depth information regarding the development, trends, and industry policies and regulations implemented in each of the geographical region. Further, the overall regulatory framework of the market has been exhaustively covered to offer stakeholders a better understanding of the key factors affecting the overall market environment.

# KEY INCLUSIONS: MARKET REPORT

- COVID-19 effects on Hand Sanitizer Market in India Market growth factors.
- Statistical analysis pertaining to Hand Sanitizer Market in India market size, sales volume, and overall industry revenue.
- Organized mentions of major Hand Sanitizer Market in India market trends.
- Growth opportunities related to top key players
- Figures showcasing market growth rate over the forecast period.
- Advantages and disadvantages of direct and indirect sales channels.
- Insights regarding traders, distributors, and dealers present in the industry.

# INDIAN HAND SANITIZER MARKET OUTLOOK

The rising awareness among consumers about the personal hygiene owing to rising infectious diseases is a major factor that is increasing the growth of this market. Moreover, World Health Organization also recommended to use hand sanitizer for self-prevention that increases the need of sanitizer which is a kind of disinfectant which in turn rising the growth of the Hand Sanitizers Market over 2020-2025.

Rising government initiatives for the adoption of hand sanitizers in order to minimize the spread of transmissible diseases are increasing the growth of this Market. Moreover, various regulatory agencies are working together in order to improve the lives of people during pandemic also driving the growth of Hand Sanitizers Market over 2020-2025.

COVID-19 pandemic had greatly affected the growth of hand sanitizer market analysis. Owing to increasing COVID-19 cases, the demand of hand sanitizers increases in order to get protection from virus that increases the production and sales of hand sanitizers and are positively impacted the growth of this.

# CHAPTER:4 ANALYSIS OF RESEARCH RESULTS

#### Q1) WHAT TYPE OF HAND SANITIZER IS BEING PREFERRED?

I did a survey of 50 people near my location to know exactly what is the preferred type of sanitizer is liked by them -like how many of them use Gel type, Foam type, Liquid type, none.

Here are my analysis -

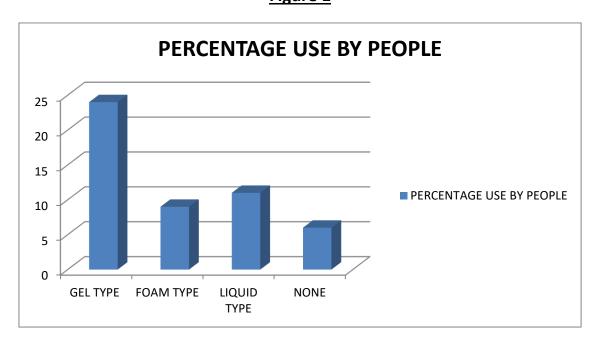
#### Table showing preferred type of hand sanitizer of the respondents

<u>Table - 1</u>

Preferred type of sanitizer	Percentage use by people
Gel Type	24
Foam Type	9
Liquid Type	11
None	6

#### Diagram showing preferred type of sanitizer of respondents

Figure 1



# Q2) THE SECOND QUESTION I HAVE ASKED TO THE RESPONDENTS WAS – "THE TYPE OF PREVENTIVE MEASURES THEY PREFER – LIKE HAND SANITIZER OR SOAP OR HANDWASH"

DIFFERENT PEOPLE HAVE DIFFERENT PREFERENCE WHICH I HAVE TRIED TO UNDERSTAND AND CONCLUDED THE FOLLOWING RESULTS IN TABLE.

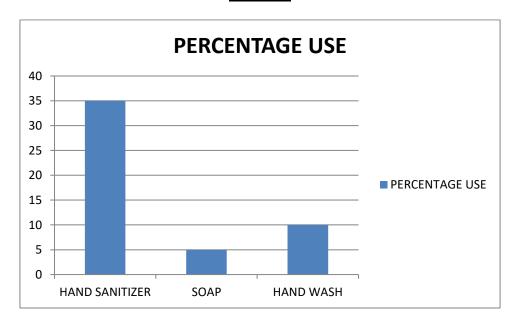
#### **Table showing preventive measures**

TABLE 2

MOST PREFERRED PREVENTIVE MEASURES	PERCENTAGE USE
HAND SANITIZER	35
SOAP	5
HAND WASH	10

#### **Diagram showing preventive measures**

Figure 2



# Q3) MY THIRD INTERROGATION TO THEM WAS ABOUT THEIR EDUCATION QUALIFICATION

I WANT TO KNOW THAT WEATHER USE OF SANITIZER DEPENDS ON EDUCATION QUALIFICATION OR NOT . FROM SURVEY OF THE RESPONDENDS I HAVE FOUND THAT AMONG THEM SOME ARE SCHOOL STUDENDS AND PERSUING 10TH OR 12<sup>TH</sup> SANDARD, SOME ARE DIPLOMA AND GRADUATE STUDENTS AND I HAVE FOUND THAT AMONG ALL OF THEM THE GRADUATE RESPONDENTS USE MAXIMUM PERCENTAGE OF HAND SANITIZER.

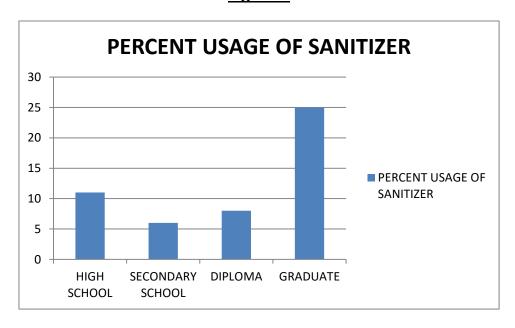
#### Table showing the education qualification of the respondents

TABLE-3

EDUCATION QUALIFICATION OF THE	PERCENTAGE USAGE OF SANITIZER
<u>RESPONDENTS</u>	
HIGH SCHOOL	11
SECONDARY SCHOOL	6
DIPLOMA	8
GRADUATE	25

#### Diagram showing the education qualification of the respondents

Figure 3



#### Q4) PERCENTAGE USE OF HAND SANITIZER BY MALE AND FEMALE

HERE I HAVE GOT SOME STRANGE ANSWERS FROM MY MALE RESPONDENTS ACCORDING TO THEM SOME SAYS THEY DON'T REMEMBER TO USE WHEN THEY REUNITE IN TEA STALL OR WHEN THEY ARE IN MARKET AND SOME SAYS USE SANITIZER MORE THAN 1-2TIMES DAMAGES THEIR SKIN AND THERE ARE SOME PEOPLE WHO SAID SOME VALID THINGS THAT WHILE DOING OFFICIAL WORK IT IS NOT POSSIBLE TO USE EVERYTIME BT THEY USE WHENEVER THEY NEEDED

ON THE OTHER HAND FEMALE RESPONDANT ARE MORE AWARE AS THEY HAVE ELDERS AND CHILDERN WHOM THE FEMALS HAVE TO TAKE CARE.

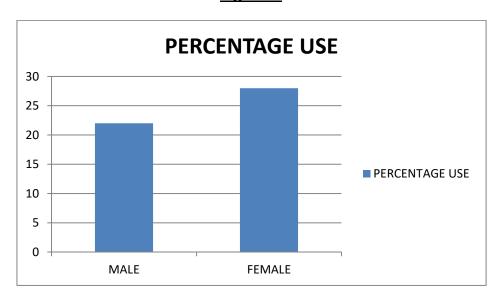
#### Table showing preference of sanitizer as per gender

TABLE 4

PREFERENCE OF SANITIZER AS PER GENDER	PERCENTAGE USE
MALE	22
FEMALE	28

#### Diagram Table showing preference of sanitizer as per gender

Figure 4



# Q5) PREFERENCE IN BUYING OF SANITIZER BASED ON ALCOHOL AND NON ALCOHOL

From the above survey I had observed that the people who are aware of the virus and are educated they generally prefer sanitizer which have more percentage of alcohol.

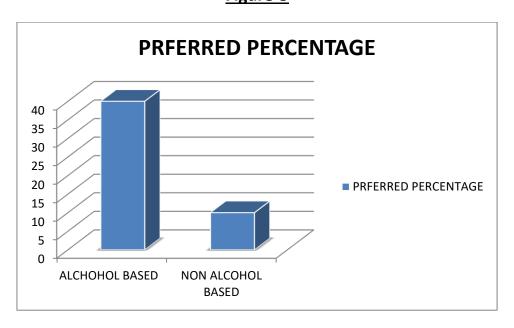
# Table showing buying behavior of sanitizer based on alcoholic and non alcoholic

TABLE- 5

ALCHOHOL BASED AND NON ALCOHOL BASED	PREFERRED PERCENTAGE
ALCOHOL BASED	40
NON ALCOHOL BASED	10

# <u>Diagram showing buying behavior of sanitizer based on alcoholic and non</u> alcoholic

Figure-5



# Q6) MY SIXTH QUESTION TO THE RESPONDENTS WAS THE PERCENTAGE USE OF HAND SANITIZER WHEN THEY GO OUT OF THEIR HOUSE.

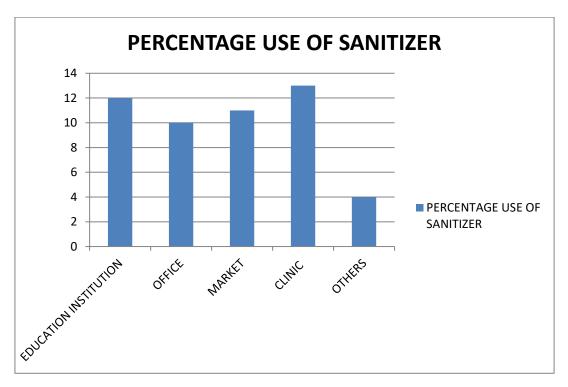
# Table showing the no. of person use sanitizer when they go outside the house

#### TABLE-6

<b>USE OF SANITIZER WHEN THEY GO OUT</b>	PERCENTAGE USE OF SANITIZER
EDUCATION INSTITUTE	12
OFFICE	10
MARKET	11
CLINIC	13
OTHERS	4

# <u>Diagram showing the no. of person use sanitizer when they go outside the house</u>

Figure-6



#### Q7) USE OF HAND SANITIZER BY DIFFERENT INSTITUTIONS

According to my respondents they said that use of sanitizer depends differently on the public places like hospitals, medical stores, hotels, restaurants and others.

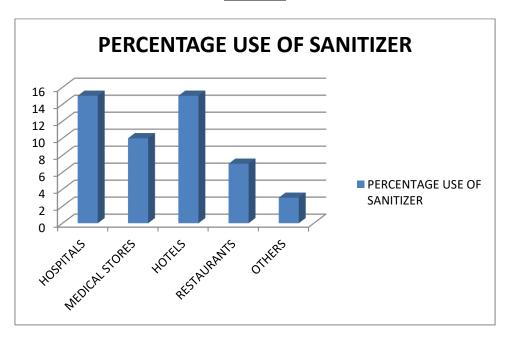
#### Table showing the use of sanitizer by different institutions

TABLE-7

SANITIZER USED BY INSTITUTIONS	PERCENTAGE USE OF SANITIZER
HOSPITALS	15
MEDICAL STORES	10
HOTELS	15
RESTAURANTS	7
OTHERS	3

#### Diagram showing the use of sanitizer by different institutions

Figure-7



# Q8) MY EIGHTH QUESTION IS ABOUT WHAT IS THE PRFERRED BANDS OF SANITIZER THEY LIKE TO USE THE MOST

Every single person have different taste, different preference and brand satisfaction and among that I found that Dettol is the most preferred brand.

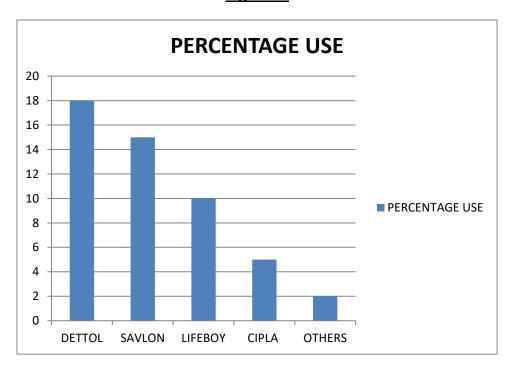
#### Table showing the most preferable brand demand of sanitizer

TABLE-8

PREFERRED BRAND	PERCENTAGE USE OF SANITIZER
DETTOL	18
SAVLON	15
LIFEBOY	10
CIPLA	5
OTHERS	2

#### Diagram showing the most preferable brand demand of sanitizer

Figure-8



#### Q9) PREFERRED ATTRIBUTE OF BUYING HAND SANITIZER

From my survey I have understand that using of sanitizer also depends on many factors like on income and some like with a good fragrance and some people by checking the germ killing capacity.

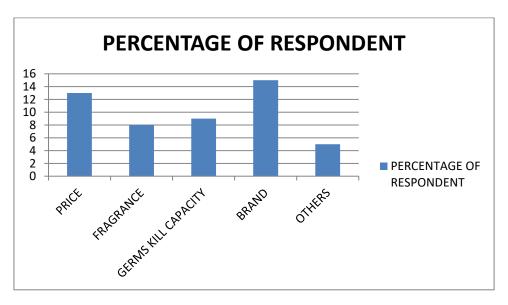
#### Table showing the preferred attribute of buying sanitizer

#### TABLE-9

MOST PREFERRED ATTRIBUTE	PERCENTAGE OF RESPONDENTS
PRICE	13
FRAGRANCE	8
GERMS KILL CAPACITY	9
BRAND	15
OTHERS	5

#### Diagram showing the preferred attribute of buying sanitizer

Figure-9



#### Q10) WHAT IS THE PERCENTAGE USE OF SANITIZER AS PER THE PROFFESION

Using of sanitizer also depends on the professions, more is used where the public dealings are more and less where the public dealings are less.

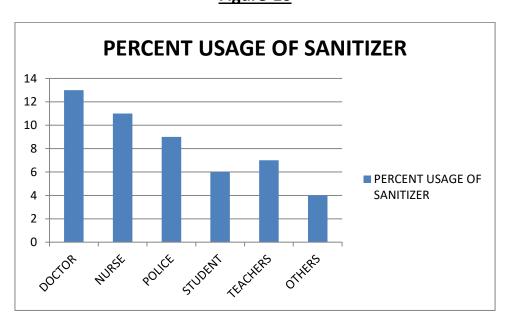
#### Table showing the percentage use of sanitizer in professional place

TABLE-10

USE OF SANITIZER ACCORDIND TO PROFFESION	PERCENTAGE USAGE OF SANITIZER
DOCTOR	13
NURSE	11
POLICE	9
STUDENT	6
TEACHERS	7
OTHERS	4

#### Diagram showing the percentage use of sanitizer in professional place

Figure-10



# CHAPTER:5 CONCLUSION

Consumers prefer hand sanitizers as they are more convenient and handier to use when compared to soap and hand wash. The market landscape of hand hygiene products has drastically changed since the outbreak of COVID-19 as use of sanitizers is now being treated as a major preventive measure. Growing consumer inclination towards health and wellness, rising awareness about health and hygiene, improvement in standard of living and rise in health expenditure are few of the major factors leading to increasing inclination towards hand sanitization. The average market demand across the globe is likely to witness a phenomenal rise of over 600% during 2020. The increasing demand of sanitizing solutions and preventive measures as recommendation by WHO are expected to fuel the market growth. So, the study is conducted to find out the impact of COVID-19 on Hand Sanitizer market in India. On the basis of a primary survey among the respondents in nearby locality this study argues that the importance of hand sanitizers is of paramount importance in the context of the present pandemic period.

# CHAPTER: 6 ANNEXURES

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# **QUESTIONNAIRE**

# Q1)What is the preferred type of hand sanitizer of the respondents

(A)Gel type
(B) Liquid type
(C) Foam type
(D) None
Q2) What are the types of preventive measure they would like to prefer
(A)Hand sanitizer
(B) Soap
(C) Hand wash
Q3)Education qualification of the respondents
(A)High school
(B)secondary school
(C) Diploma
(D)Graduate
Q4)Percentage use of sanitizer according to gender
(A)male
(B)Female

Q5)	Preference in buying of sanitizer based on alcohol and n	on
alco	hol	

alcohol
(A)Alcohol based
(B)Non alcohol based
Q6) Percentage use of hand sanitizer when they go out of their house.
(A)Education institute
(B)Office
(C)Market
(D)Clinic
(E)Others
Q7) Use of sanitizer by different institutions
(A)Hospitals
(B)Medical stores
(C)Hotels
(D)Restaurants
(E)Others

Q8) What is the preferred brands of sanitizer they like to use the most?
(A)Dettol
(B)Savlon
(c)Lifebuoy
(D) Cipla
Q9)What is the most preferred attribute of buying hand sanitizer
(A)Price
(B)Fragrance
(C)Germs kill capacity
(D)Brands
(E)Others
Q10)What is the percentage use of sanitizer as per profession
(A)Doctor
(B)Nurse
(C)Police
(D)Students
(E)Teachers
(F)Others

# PROJECT REPORT

(Submitted for the Degree of M.com in Accounting & Finance under the West Bengal State University)

# A STUDY OF CORPORATE SOCIAL RESPONSIBILTY OF TATA COMPANIES

## **Submitted by**

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#### Supervised by

Name of the supervisor: Prof. Amitava Saha

Name of the college : **Bhairab Ganguly College** 

Month & year of submission: Sept 2021

# **ACKNOWLEDGEMENT**

This project has been done with the help of different journals, websites and magazines.

My supervisor Teacher **Prof.Amitava Saha** has also helped me a lot in pointing out my mistakes and channelized me in a proper way. He directed me about how to proceed with the data. I am highly obliged to him for his kind support and instructions.

I am also thankful to the companies whose secondary data has served my purpose. I hope my project will give an idea about A STUDY OF **CORPORAT SOCIAL RESPONSIBILITY OF TATA COMPANIES** and is followed along its importance.

I will always remember the making of this project work and the knowledge I gained while doing so.

Concluding this with a heartiest thanks to my college and its faculty members for always be.

Thank you.

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# <u>ANNEXURE – IA</u>

#### **SUPERVISOR'S CERTIFICATE**

This is to certify that Mr. SOURAV KUMAR PANDEY, a student of M.com in Accounting & Finance in BHAIRAB GANGULY COLLEGE under the WEST BENGAL STATE UNIVERSITY has worked under my supervision and guidance for his Project Report with the title A STUDY OF CORPORATE SOCIAL RESPONSIBILTY OF TATA

COMPANIES which he is submitting, is hisgenuine and original work to the best of my knowledge.

Prof Amitava Saha

TVI HVIL	•	1 101.7 Hillia va Salia
NAME OF THE COLLEGE	:	Bhairab Ganguly college
DESIGNATION	:	Assistant Professor.
SIGNATURE	:	

PLACE:

NAME

DATE:

## <u>ANNEXURE : IB</u>

#### STUDENT'S DECLARATION

I hereby declare that the Project Work with the title A <u>STUDY OF CORPORATE</u> <u>SOCIAL RESPONSIBILTY OF TATA COMPANIES</u> submitted by me for the partial fulfillment of the degree of M.COM in Accounting & Finance in Business under the West Bengal State University is my original work and has not been submitted earlier to any other University / Institution for the fulfillment of the requirement for any course ofstudy.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

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# Chapter no .1 1.1INTRODUCTION

Ranging from steel, automobiles and software to consumer goods and telecommunications the Tata Group operates more than 80 companies. It has around 200,000 employees across India and thus has the pride to be nation's largest private employer. Mr. Ratan N. Tata has led the eminent Tata Group successfully. He was trained as an architect at New York's Cornell University but he chose to enter the family business .He assumed the Chairmanship of the Group in 1991. Named Business Man of the Year for Asia by Forbes in 2004, Mr. Ratan Tata serves on the board of the Ford Foundation and the program board of the Bill & Melinda Gates Foundation's India AIDS initiative. Tata Group chairman Ratan Naval Tata has stepped down to pass on the entire responsibility to Cyrus Mistry . Under Tata, the group went through major organisational phases — rationalisation, globalisation, and now innovation, as it attempts to reach a reported \$500 billion in revenues by 2020-21, roughly the size of what Walmart is today. 13 Approximately two third of the equity of the parent firm, Tata Sons Ltd., is held by philanthropic trusts endowed by Sir Dorabji Tata and Sir Ratan Tata, sons of Jamsetji Tata, the founder of todays Tata empire in the 1860s. Through these trusts, Tata Sons Ltd. utilizes on average between 8 to 14 percent of its net profit every year for various social causes. Even when economic conditions were adverse, as in the late 1990s, the financial commitment of the group towards social activities kept on increasing, from Rs 670 million in 1997-98 to Rs 1.36 billion in 1999-2000. In the fiscal year 2004 Tata Steel alone spent Rs 45 crore on social services. . 14 Tata is accredited to initiate various labor welfare laws. For example- the establishment of Welfare Department was introduced in 1917 and enforced by law in 1948; Maternity Benefit was introduced in 1928 and enforced by law in 1946. A pioneer in several areas, the Tata group has got the credit of pioneering India's steel industry, civil aviation and starting the country's first power plant. It had the world's largest integrated tea operation. It is world's sixth largest manufacturer of watches (Titan)

## 1.2. Literature review

The concept of CSR originated in the 1950's in the USA but it became prevalent in early 1970s. At that time US had lots of social problems like poverty, unemployment and pollution. Consequently a huge fall in the prices of Dollar was witnessed. Corporate Social Responsibility became a matter of utmost importance for diverse groups demanding change in the business. During the 1980's to 2000, corporations recognized and started accepting a responsibility towards society. Corporate social responsibility (CSR) focuses on the wealth creation for the optimal benefit of all stakeholders – including shareholders, employees, customers, environment and society. The term stakeholder, means all those on whom an organization's performance and activities have some impact either directly or indirectly. This term was used to describe corporate owners beyond shareholders as a result of a book titled Strategic management: a stakeholder approach by R. Edward Freeman in the year 1984. 1 According to Bowen, —CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society. — 2 Frederick (1960) stated \_Social responsibility means that businessmen should oversee the operation of an economic system that fulfills the expectations of the people.' . 3 Davis (1960) argued that social responsibility is a nebulous idea but should be seen in a managerial context. He asserted that some socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long-run economic gain to the firm, thus paying it back for its socially responsible outlook (p. 70). 4 An ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status (Bajpai, 2001)5. Goyder (2003) argues: —Industry in the 20th century can no longer be regarded as a private arrangement for enriching shareholders. It has become a joint enterprise in which workers, management, consumers, the locality, govt. and trade union officials all play a part. If the system which we know by the name private enterprise is to continue, some way must be found to embrace many interests whom we go to make up industry in a common purpose. || ). 6 CSR implies some sort of commitment, through corporate policies and action. This operational view of CSR is reflected in a firm's social performance, which can be assessed by how a firm manages its societal relationships, its social impact and the outcomes of its CSR policies and actions (Wood, 1991). 7

#### 1.3. OBJECTIVES OF THE STUDY

To understand the concept of CSR find out the scope of CSR know how the Tata group has fulfilled its responsibility towards all stakeholders; what specific activities, programs and strategies it has set, devised and implemented for the same.

1.4 METHODOLOGY
These project done ado[tong the secondary data which was collect from different journals ,books ,magazine and company web site  This project is done adopting the qualitative analysis method. It is based on secondary data as it is not possible to collect primary data within short period of time. I have accessed various websites, journals, books and magazines to collect different types of data. Secondary research (also known as desk research) involves the summary, collation and/or synthesis of existing research rather than primary research, in which data are collected from, for example, research subjects or experiments.
•

# **1.5 LIMITATIONS OF STUDY**

#### The hindrances faced by me while doing the project-

- Due to shortage of time primary data could not be collected.
- Proper data regarding how much companies are polluting and as to what percentage of their profit they are spending for the society is not revealed.
- Business sometimes prevent the auditor of the company to detect a fraud which actually creates a bad image in the name of accountants.

# Chapter no.2.

# <u>CONCEPTUAL FRAMEWORK:</u> <u>NATIONAL / INTERNATIONAL</u> <u>SCENARIO</u>

# CORPORATE SOCIAL RESPONSIBILTY IN INDIAN SCENARIO

#### 2.1 EVOLUTION OF CSR IN INDIA:

The conditions for business operations in India vary for different areas, and consequently, so will the way CSR is perceived and implemented. . In the preindustrialized period philanthropy, religion and charity were the key drivers of CSR. The industrial families of the 19th century had a strong inclination toward charity and other social considerations. The term CSR itself came into common use in the early 1970s. The last decade of the twentieth century witnessed a shift in focus from charity and traditional philanthropy toward more direct engagement of business in mainstream development and concern for disadvantaged groups in the society. In India, there is a growing realization that business cannot succeed in isolation and social progress is necessary for sustainable growth. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well socio-economic status.

In India, the evolution of CSR refers to changes over time in cultural norms of corporations' engagement and the way businesses managed to develop positive impacts on communities, cultures, societies, and environment in which those corporations operated. CSR motives changed during the independence movement in India toward social reforms to encourage empowerment of women and rural development. In the last decade, CSR has rapidly evolved in India with some companies focusing on strategic CSR initiatives to contribute toward nation building. Gradually, the companies in India

To exhaustively study the contributions made

## 2.2 .SCOPE OF CSR

<u>"The World Business Council for Sustainable Development"</u> has described CSR as the

business contribution to sustainable economic development. Building on a base of compliance

with legislation and regulations.

CSR typically includes "beyond law" commitments and activities pertaining to:

- corporate governance and ethics;
- health and safety;
- environmental stewardship;
- human rights (including core labour rights);
- sustainable development;
- conditions of work (including safety and health, hours of work, wages);
- industrial relations;
- community involvement, development and investment;
- involvement of and respect for diverse cultures and disadvantaged peoples;
- corporate philanthropy and employee volunteering;
- customer satisfaction and adherence to principles of fair competition;
- anti-bribery and anti-corruption measures;
- accountability, transparency and performance reporting; and
- supplier relations, for both domestic and international supply chains.

## 2.3. NEED OF CSR

Many factors and influences have led to increasing attention being devoted to the role of companies and CSR. These include:

• <u>Sustainable development</u>: United Nations' (UN) studies and many others have underlined the fact that humankind is using natural resources at a faster rate than they are being replaced. If this continues, future generations will not have the resources they need for their development. In this sense, much of current development is unsustainable—it can't be continued for both practical and moral reasons. Related issues include the need for greater attention to poverty

alleviation and respect for human rights. *CSR is an entry point forunderstanding sustainable development issues and responding to them in afirm's business strategy.* 

- <u>Globalization</u>: With its attendant focus on cross-border trade, multinational enterprises and global supply chains—economic globalization is increasingly raising CSR concerns related to human resource management practices, environmental protection, and health and safety, among other things.CSR can play a vital role in detecting how business impacts labour conditions, local communities and economies, and what steps can be taken toensure business helps to maintain and build the public good. This can beespecially important for export-oriented firms in emerging economies.
- <u>Governance</u>: Governments and intergovernmental bodies, such as the UN, the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) have developed various compacts, declarations, guidelines, principles and other instruments that outline norms for what they consider to be acceptable business conduct. *CSRinstruments often reflect internationally-agreed goals and laws regardinghuman rights, the environment and anti-corruption*.
- <u>Corporate sector impact</u>: The sheer size and number of corporations, and their potential to impact political, social and environmental systems relative to governments and civil society, raise questions about influence and accountability. Even small and medium size enterprises (SMEs), which collectively represent the largest single employer, have a significant impact. *Companies are global ambassadors of change and values. How theybehave is becoming a matter of increasing interest and importance*.
- <u>Communications</u>: Advances in communications technology, such as the Internet and mobile phones, are making it easier to track and discuss corporate activities. Internally, this can facilitate management, reporting and change. Externally, NGOs, the media and others can quickly assess and profile business practices they view as either problematic or exemplary. *Inthe CSR context, modern communications technology offers opportunities to improve dialogue and partnerships*.
- <u>Finance</u>: Consumers and investors are showing increasing interest in supporting responsible business practices and are demanding more information on how companies are addressing risks and opportunities related to social and environmental issues. A sound CSR approach can help build sharevalue, lower the cost of capital, and ensure better responsiveness to markets.

- <u>Ethics</u>: A number of serious and high-profile breaches of corporate ethics resulting in damage to employees, shareholders, communities or the environment—as well as share price—have contributed to elevated public mistrust of corporations. A CSR approach can help improve corporate governance, transparency, accountability and ethical standards.
- <u>Consistency and Community</u>: Citizens in many countries are making it clear that corporations should meet the same high standards of social and environmental care, no matter where they operate. In the CSR context, firms canhelp build a sense of community and shared approach to common problems.
- <u>Leadership</u>: At the same time, there is increasing awareness of the limits of government legislative and regulatory initiatives to effectively capture all the issues that CSR address. *CSR can offer the flexibility and incentive for firms toact in advance of regulations, or in areas where regulations seem unlikely*.

# 2.4. The IMPORTANCE OF CSR INBUSINESS

There is growing consensus about the connection between CSR and business success.

"The World Business Council for Sustainable Development (WBCSD)" has noted that a

coherent CSR strategy based on integrity, sound values and a long-term approach offers clear business benefits to companies and contributes to the well-being of society.

#### Key potential benefits for firms implementing CSR include:

- Better anticipation and management of an ever-expanding spectrum ofRisk: Effectively managing governance, legal, social, environmental, economic and other risks in an increasingly complex market environment, with greater oversight and stakeholder scrutiny of corporate activities, can improve the security of supply and overall market stability. Considering the interests of parties concerned about a firm's impact is one way of better anticipating and managing risk.
- <u>Improved reputation management</u>. Organizations that perform well with regard to CSR can build their reputation, while those that perform poorly can

damage brand and company value when exposed. Reputation, or brand equity, is founded on values such as trust, credibility, reliability, quality and consistency. Even for firms that do not have direct retail exposure throughbrands, their reputation for addressing CSR issues as a supply chain partner— both good and bad—can be crucial commercially.

- Enhanced ability to recruit, develop and retain staff. This can be the directresult of pride in the company's products and practices, or of introducing improved human resources practices, such as "family-friendly" policies. It can also be the indirect result of programs and activities that improve employee morale and loyalty. Employees are not only front-line sources of ideas for improved performance, but are champions of a company for which they are proud to work.
- Improved innovation, competitiveness and market positioning. CSR is as much about seizing opportunity as avoiding risk. Drawing feedback from diverse stakeholders can be a rich source of ideas for new products, processes and markets, resulting in competitive advantages. For example, a firm may become certified to environmental and social standards so it canbecome a supplier to particular retailers. The history of good business has always been one of being alert to trends, innovation, and responding to markets. Increasingly, mainstream advertising features the environmental or social benefits of products (e.g., hybrid cars, unleaded petrol,14 ethicallyproduced coffee, wind turbines, etc.).
- Enhanced operational efficiencies and cost savings. These flow in particular from improved efficiencies identified through a systematic approach to management that includes continuous improvement. For example, assessing the environmental and energy aspects of an operation can reveal opportunities for turning waste streams into revenue streams (wood chips into particle board, for example) and for system-wide reductions in energy use, and costs.
- Improved ability to attract and build effective and efficient supply chainrelationships. A firm is vulnerable to the weakest link in its supply chain. Like-minded companies can form profitable long-term business relationships by improving standards, and thereby reducing risks. Larger firms can stimulate smaller firms with whom they do business to implement a CSR approach. For example, some large apparel retailers require their suppliers to comply with worker codes and standards.
- <u>Enhanced ability to address change</u>. A company with its "ear to the ground" through regular stakeholder dialogue is in a better position to anticipate and respond to regulatory, economic, social and environmental changes that may

occur. Increasingly, firms use CSR as a "radar" to detect evolving trends in the market.

- More robust "social licence" to operate in the community. Improved citizen and stakeholder understanding of the firm and its objectives and activities translates into improved stakeholder relations. This, in turn, may evolve into more robust and enduring public, private and civil society alliances (all of which relate closely to CSR reputation, discussed above). CSR can help build "social capital."
- <u>Access to capital.</u> Financial institutions are increasingly incorporating social and environmental criteria into their assessment of projects. When making decisions about where to place their money, investors are looking for indicators of effective CSR management. A business plan incorporating a good CSR approach is often seen as a proxy for good management.
- <u>Improved relations with regulators</u>. In a number of jurisdictions, governments have expedited approval processes for firms that have undertaken social and environmental activities beyond those required by regulation. In some countries, governments use (or are considering using) CSR indicators in deciding on procurement or export assistance contracts. This is beingdone because governments recognize that without an increase in business sector engagement, government sustainability goals cannot be reached.
- A catalyst for responsible consumption. Changing unsustainable patterns of consumption is widely seen as an important driver to achieving sustainable development. Companies have a key role to play in facilitating sustainable consumption patterns and lifestyles through the goods and services they provide and the way they provide them. "Responsible consumerism" is not exclusively about changing consumer preferences. It is also about what goods are supplied in the marketplace, their relationship to consumer rights and sustainability issues, and how regulatory authorities mediate the relationship between producers and consumers.

# **2.5. STAKEHOLDERS OF CSR:**

## CSR can involve a wide range of stakeholders:

A corporation's stakeholders can include: shareholders, non-governmental organizations, business partners, lenders, insurers, communities, regulators, intergovernmentalbodies, consumers, employees and investors.



**FIG.1**. Stakeholders of CSR

# 2.6. Key CSR instruments

#### **Human Rights:**

**Principle 1 -** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2-** Make sure that they are not complicit in human rights abuses.

#### **Labour Standards:**

**Principle 3 -** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4 -** The elimination of all forms of forced and compulsory labour;

Principle 5 - The effective abolition of child labour; and

**Principle 6** - The elimination of discrimination in respect of employment and occupation.

#### **Environment:**

**Principle 7** - Businesses should support a precautionary approach to environmental challenges;

**Principle 8 -** Undertake initiatives to promote greater environmental responsibility; and

**Principle 9 -** Encourage the development and diffusion of environmentallyfriendly technologies.

#### **Anti-corruption:**

**Principle 10** -Businesses should work against all forms of corruption, including extortion and bribery.

started focusing on need-based initiatives aligned with the national priorities such as public health, education, livelihoods, water conservation and natural resource management. Intensive national level deliberations on the potential role and responsibility of the corporate sector in contributing toward addressing social issues were witnessed in the last decade. In the last five years focus on persuading companies to participate in addressing social and developmental issues, not only as a part of their social responsibility but also their business practices.

#### **2.7. GUIDELINES ON CSR IN INDIA:**

Setting an example for the private sector, guidelines regarding expenditure on CSR activities for Central Public Sector Enterprises were issued by **Department of Public Enterprises**. According to these "Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises" revised by the **Department of Public Enterprises (DPE)**, Ministry of Heavy Industries and Public Enterprises every year, each CPSE shall with the approval of its Board of Directors make a budgetary allocation for CSR and Sustainability

PAT OF CPSE IN THE PREVIOUS YEAR	RANGE OF BUDGETARY ALLOCATION FOR CSR & SUSTAINABILITY ACTIVITIES (as % of PAT in previous year )	
Less than 100 crore	3%-5%	
INR 100 crore to INR 500 crore	<u>2%-3%</u>	
INR 500 crore & above	<u>1%-2%</u>	

activities/projects for the year.

Table.1. Table showing allocation of funds for CSR at different levels of PAT

Source: The revised guidelines by DPE, with effect from 1st April 2021

# 2.8. CSR Rules under Companies Act, 2013;

<u>The Ministry of Corporate Affairs</u> has notified <u>Section 135</u> and <u>Schedule VII of the Companies Act 2013</u> as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from <u>April 1, 2014.</u>

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act. Contribution to any political party is not considered to be a CSR activity and only activities in India would be considered for computing CSR expenditure.

The net worth, turnover and net profits are to be computed in terms of **Section 198 of the 2013Act** as per the profit and loss statement prepared by the company in terms of **Section 381 (1)(a)** and Section 198 of the 2013 Act. While these provisions have not yet been notified, is has been clarified that if net profits are computed under the Companies Act, 1956 they needn't be recomputed under the 2013 Act. Profits from any overseas branch of the company, including those branches that are operated as a separate company would not be included in the computation of net profits of a company. Besides, dividends received from other companies in India which need to comply with the CSR obligations would not be included in the computation of net profits of a company.

The CSR Rules appear to widen the ambit for compliance obligations to include the holding and subsidiary companies as well as foreign companies whose branches or project offices in India fulfill the specified criteria. There is a need for clarity with respect to the compliance obligations of a company as well as its holding and subsidiary companies.

The activities that can be undertaken by a company to fulfill its CSR obligations include eradicating hunger, poverty and malnutrition, promoting preventive healthcare, promotingeducation and promoting gender equality, setting up homes for women, orphans and the senior citizens, measures for reducing inequalities faced by socially and economically backward groups, ensuring environmental sustainability and ecological balance, animal welfare, protection of national heritage and art and culture, measures for the benefit of armed forces veterans, war widows and their dependents, training to promote rural, nationally recognized, Paralympics or Olympic sports, contribution to the prime minister's national relief fund or any other fund set up by the Central Government

for socio economic development and relief and welfare of SC, ST, OBCs, minorities and women, contributions or funds provided to technology incubators located within academic institutions approved by the Central Government and rural development projects. However, in determining CSR activities to be undertaken, preference would need to be given to local areas and the areas around where the company operates.

To formulate and monitor the CSR policy of a company, a CSR Committee of the Board needs to be constituted. Section 135 of the 2013 Act requires the CSR Committee to consist of at least three directors, including an independent director. However, CSR Rules exempts unlisted public companies and private companies that are not required to appoint an independent director from having an independent director as a part of their CSR Committee and stipulates that the Committee for a private company and a foreign company need have a minimum of only 2 members.

A company can undertake its CSR activities through a registered trust or society, a company established by its holding, subsidiary or associate company or otherwise, provided that the company has specified the activities to be undertaken, the modalities for utilization of funds as well as the reporting and monitoring mechanism. If the entity through which the CSR activities are being undertaken is not established by the company or its holding, subsidiary or associate company, such entity would need to have an established track record of three years undertaking similar activities.

Companies can also collaborate with each other for jointly undertaking CSR activities; provided that each of the companies is able individually report on such projects. A company can build CSR capabilities of its personnel or implementation agencies through institutions with established track records of at least three years, provided that the expenditure for such activities does not exceed 5% of the total CSR expenditure of the company in a single financial year.

The CSR Rules specify that a company which does not satisfy the specified criteria for a consecutive period of three financial years is not required to comply with the CSR obligations, implying that a company not satisfying any of the specified criteria in a subsequent financial year would still need to undertake CSR activities unless it ceases tosatisfy the specified criteria for a continuous period of three years. This could increase the burden on small companies which do not continue to make significant profits. The report of the Board of Directors attached to the financial statements of the Company would also need to include an annual report on the CSR activities of the company in the format prescribed in the CSR Rules setting out inter alia a brief outline of the CSR policy, the composition of the CSR Committee, the average net profit for the last three financial years and the prescribed CSR expenditure. If the company has been unable to spend the minimum required on its CSR initiatives, the reasons for not doing so are to be specified in the Board Report.

Where a company has a website, the CSR policy of the company would need to be disclosed on such website.

Corporate India has seen in the last decade that the path towards growth is not linear. Expansion means a constant hunt for resources that go into manufacturing and invariably a conflict between man and nature.

# 2.9.Companies Bill 2020 and CSR

With a view to provide a framework for companies (private and public) to implement need-based CSR activities, the Government of India has included CSR-related provisions in the Companies Bill, 2012. The **Clause 135 of the Companies Bill 2012** aims at motivating companies to spend <u>2% of the Profit after Tax on CSR</u>. Though spending 2% of the PAT is not mandatory but Clause 135 of the proposed Companies Bill casts a duty on the Board to specify reasons for not spending the specified amount on CSR.

**The Clause 135** will be applicable to all companies that have either of the following:

- Net worth of INR 500 crores or more
- Turnover of INR 1000 crores or more
- Net profit of INR 5 crores or more

The Bill mandates companies to form a **board-level CSR Committee** comprising three or more directors with at least one independent director. The composition of the CSR Committee has to be disclosed in the annual board of director's report. The CSR Committee will be responsible for formulating and recommending a CSR policy and implementation plan. The Committee will also be responsible for regular monitoring of CSR activities. Company's board will be responsible for approving and disclosing CSR Policy in the annual Director's Report and on company's website. The Board will also be responsible for ensuring implementation of CSR activities according to the Policy.

The diagram below encapsulates the requirements of the CSR clause in the Companies Bill 2020 (clause 135):

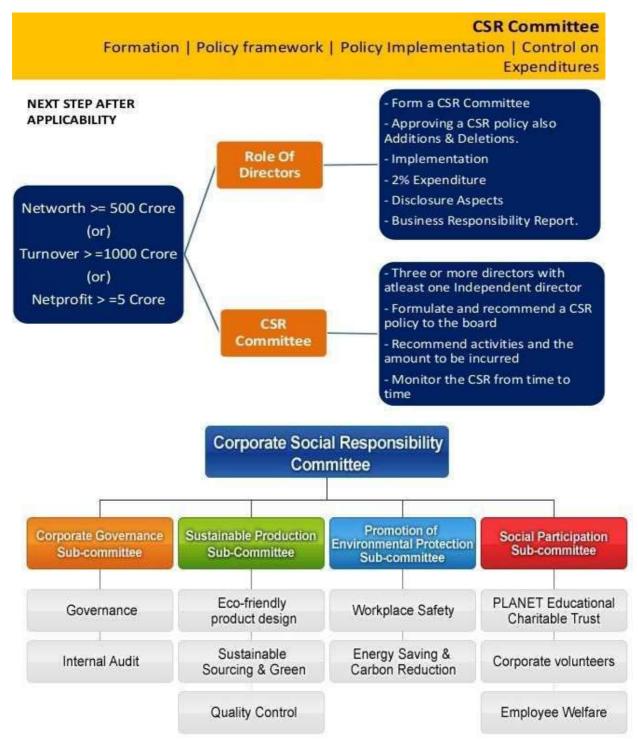


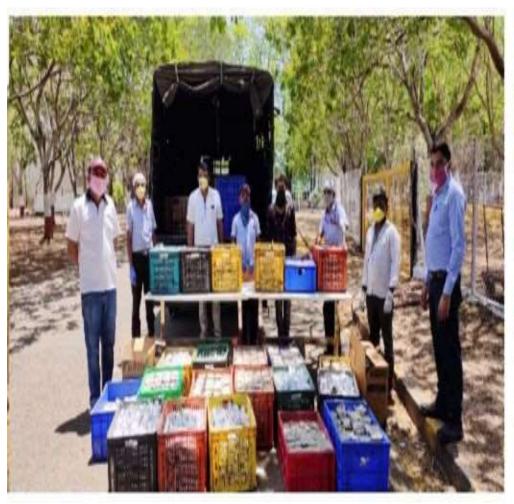
Fig.2. Formation of CSR committee & it's activities

# Chapter no: 3.

# DATA, ANALYSIS AND FINDINGS

# CURRENT SCENARIO : WHAT COMPANIESARE DOING AS A PART OF CSR IN INDIA

The parameters chosen to undertake the research have been categorized broadly into — **Design**, **Deliver** and **Disclose**. The Design category focuses on understanding the partnership preference and the implementation mechanism for CSR activities. The Deliver category aims to identify the thematic areas that best describe the company's activities and their geographic focus. The Disclose category provides an insight on how companies are disclosing their CSR activities and sharing their learning with the public.



# Covid Response

Total Spend

Rs 3.34 cr

Total Reach (Nos.)

136800

# **Key Action Areas**

- · Extending support to tho:
- Equipping ground-zero he
- Educating masses for con and protection

# CSR Financial Details (INR Cr.)

Year	2019-2020	2018-2019	2017-2018
Actual CSR	192.99 Cr	314.94 Cr	231.62 Cr
Prescribed CSR	173.53 Cr	82.40 Cr	85.62 Cr

Actual CSR Prescribed CSR 400 300 2014-2015 200 Actual CSR: 171.46 Prescribed CSR: 168.26 100 0 2014-2015 2015-2016 2016-2017 2017-2018 2018-2019 2019-2020 Year



#### Rural Development Projects (2019-20)

#### Project Budget: INR 8.66 Cr

The Company has contributed towards strategies, outcomes and prospective activities for the key obje....





# Promoting Art & Culture and Preserving Heritage (2019-20)

#### Project Budget: INR 9.57 Cr

The Company has contributed some amount towards a vibrant Jamshedpur- Kalinganagar corridor where lo....



#### Promoting Sports (2019-20)

Project Budget: INR 8.16 Cr

The Company has contributed some amount towards promoting sports.....

a csrbox.org



# Ensuring Environmental Sustainability Program (2019-20)

Project Budget: INR 2.76 Cr

The Company has contributed some amount towards ensuring environmental sustainability program.....

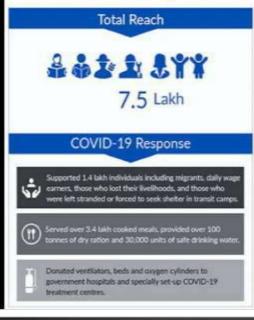


#### Disaster Management Activities (2019-20)

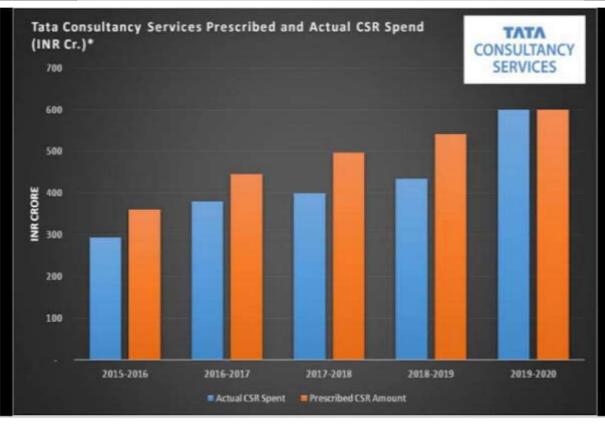
Project Budget: INR 5.88 Cr

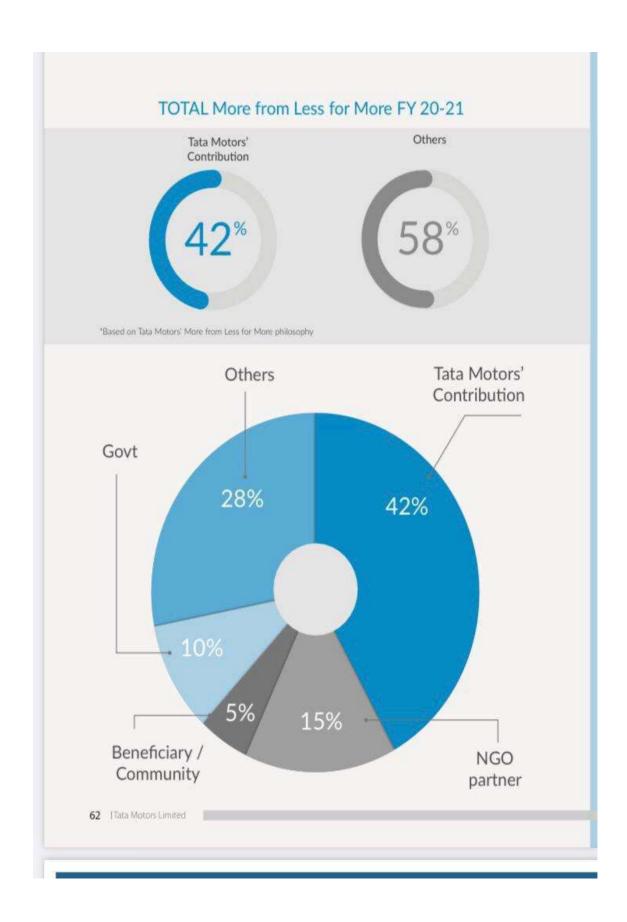
The Company has contributed some amount towards Disaster Management activities.....

#### CSR Footprint @ Tata Motors- 2020-21



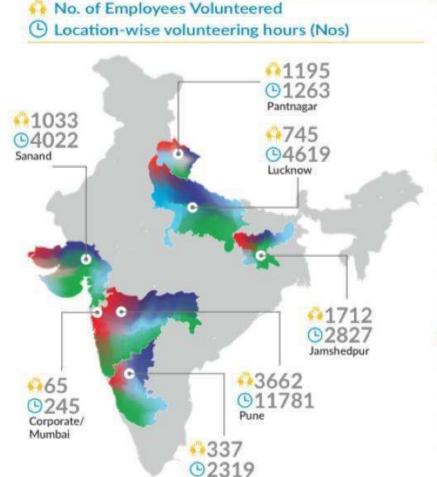






# Knowledge and know-how shared

The challenges of the pandemic notwithstanding, employees of Tata Motors came out to support volunteering activities notching up a total of over 37 per cent (10, 232 of Tata Motors Employees, volunteers in 2020-21 and clocked 29011 hour for volunteering.



Jamshedpur Employees in the steel city participated in 40 volunteering activities, including a unique Save Bird Life Campaign conducted by the GET Club at Jamshedpur. A Cleanliness Drive sought to areas around clean water bodies and 123 units of blood were donated besides educational institutions being supported and counseling of students.

Lucknow Senior Leaders and employees, including 30 per cent new employees, volunteered for the Company's programmes, including the Plan Head who conducted a counselling session for a rural learning center.

Mentoring and counselling sessions, session on environment, health and nutrition, etc conducted by TML employees

Dharwad Employees actively participated in a ceremony to gift scholarships to students of Govt. High School Narendra, donated blood to the District Civil Hospital Dharwad, National Red Cross Society and Navanagar Cancer Hospital, created awareness on the COVID-19 vaccine

at Karadigudda village and on Cervical Cancer at Kotur village prior to which employees had visited the homes of villagers and distributed pamphlets to encourage women to participate in the free check-up camp.

Pune 300 girls selected from rural areas as Vidyadhanam Scholars were mentored one-on-one by employees at Pune, who also reached out to communities to seek feedback from the families under Help Assess Impact on undernourished children in their homes. Seeds donated by employees were used to raise saplings for the plantation drive under Vasundhara. Employees helped develop managerial skills in the staff of 500 empaneled NGOs across the country through Partner Agency Connect sessions.

Sanad Awareness on Covid Vaccine, a de-addiction drive among communities, mask distribution, Cleanliness Drive by 35 employees across departments and a Plantation Drive for saplings were the key volunteering activity at this plant.

# **COMPANY PROFILE**



In this part I have provided the analysis of **CORPORATE SOCIAL RESPONSIBILITY** of one of the most prestigious and reputed group of companies of our country.

Ranging from steel, automobiles and software to consumer goods and telecommunications the **Tata Group** operates more than **80 companies**. It has around 200,000 employees across India and thus has the pride to be nation's largest private employer.

Mr. Ratan N. Tata has led the eminent Tata Group successfully. He was trained as an architect at New York's Cornell University but he chose to enter the family business .He assumed the Chairmanship of the Group in 1991.

Named Business Man of the Year for Asia by Forbes in 2004, Mr. Ratan Tata serves on the board of the Ford Foundation and the program board of the Bill & Melinda Gates Foundation's India AIDS initiative.

Approximately two third of the equity of the parent firm, <u>Tata Sons Ltd.</u>, is held by philanthropic trusts endowed by <u>Sir Dorabji Tata</u> and Sir Ratan Tata, sons of <u>Jamsetji Tata</u>, the founder of todays Tata empire in the 1860s. Through these trusts, Tata Sons Ltd. utilizes on average between <u>8 to 14 percent</u> of its net profit every year for various social causes.

Even when economic conditions were adverse, as in the late 1990s, the financial commitment of the group towards social activities kept on increasing, from <u>Rs</u> 670 million in 1997-98 to Rs 1.36 billion in 1999-2000. In the fiscal year 2004 Tata Steel alone spent <u>Rs 45 crore</u> on social services.

Tata is accredited to initiate various labor welfare laws. For example- the establishment of Welfare Department was introduced in 1917 and enforced by law in 1948; Maternity Benefit was introduced in 1928 and enforced by law in 1946. A pioneer in several areas, the Tata group has got the credit of pioneering India's steel industry, civil aviation and starting the country's first power plant. It had the world's largest integrated tea operation. It is world's sixth largest manufacturer of watches (Titan).

# **Recognition of CSR IN TATA**

'In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence."

- Jamsetji Nusserwanji , Tata Founder, Tata Group.

''Corporate Social Responsibility should be in the DNA of every organization. Our processes should be aligned so as to benefit the society. If society prospers, so shall the organization..."

-Manoj Chakravarti,

G M - Corporate Affairs & Corporate Head - Social Responsibility, Titan Industries Limited in 2004.

Corporate Social Responsibility has always been taken care of by the Tata group. The founder **Mr. Jamshedji Tata** used to grant scholarships for further studies abroad in 1892. He also supported **Gandhiji's campaign** for racial equality in South Africa.

Tata group has given country its first science center and atomic research center.

"The wealth gathered by Jamsetji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation.

Jamshed Irani, Director, Tata Sons Ltd, says,

"The Tata credo is that 'give back to the people what you have earned from them'.

So from the very inception, Jamshetji Tata and his family have been following this principle." (a statement on the Tata group's website www.tata.com).

In July 2004, **B. Muthuraman**, Managing Director, Tata Steel Limited (TISCO) announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility (CSR) standards.

Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, "We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards."

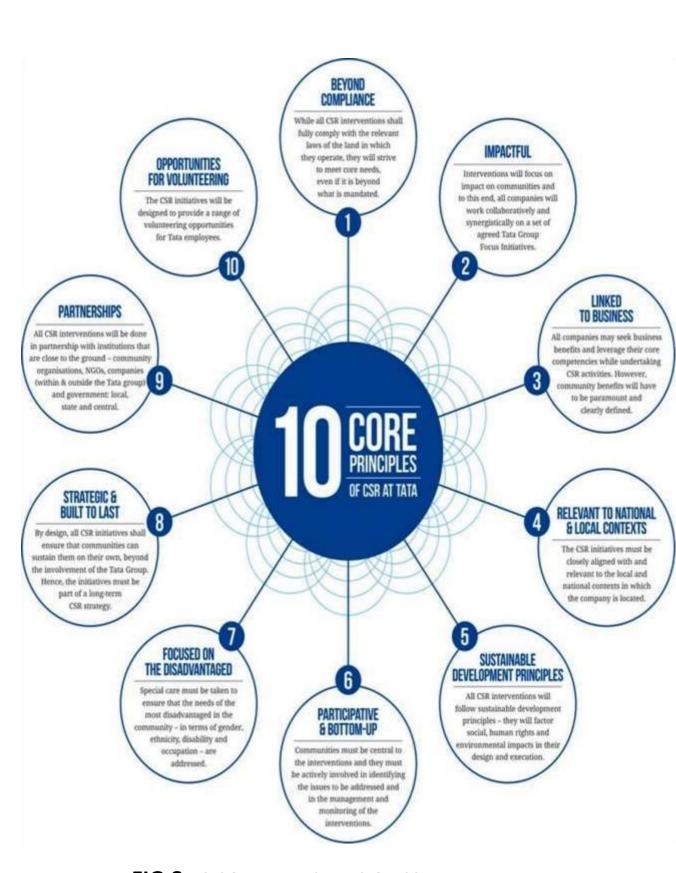


FIG.8.10 CORE PRINCIPLES OF CSR IN TATA

# CSR Activities of Tata Companies & Societies

Through the following companies and societies Tata group keeps on heading towards the fulfillment of corporate social responsibility

## **Tata Steel**

Tata Steel has adopted the Corporate Citizenship Index, Tata Business Excellence Model and the Tata Index for Sustainable Development. Tata Steel spends 5-7 per cent of its profit after tax on several CSR initiatives.

#### (a) Self-Help Groups (SHG's)

Over 500 self-help groups are currently operating under various poverty alleviation programs; out of which over 200 are engaged in activities of income generation thorough micro enterprises. Women empowerment programs through Self-Help Groups have been extended to 700 villages. From the year 2003 to 2006, the maternal and infant survival project had a coverage area of 42 villages in Gamharia block in Seraikela Kharsawa and a replication project was taken up in Rajnagar block. For providing portable water to rural communities 2,600 tube wells have been installed for the benefit of over four Lakh people.

#### (b) Supports Social Welfare Organizations

Tata Steel supports various social welfare organizations. They include;

- ✓ Tata Steel Rural Development Society
- ✓ Tribal Cultural Society
- ✓ Tata Steel Foundation for Family Initiatives
- ✓ National Association for the Blind
- ✓ Shishu Niketan School of Hope
- ✓ Centre for Hearing Impaired Children
- ✓ Indian Red Cross Society, East Singhbhum
- **(c) Healthcare Projects** In its 100th year, the Tata Steel Centenary Project has just been announced. The healthcare projects of Tata Steel include facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS and other healthcare projects.
- **(d) Economic Empowerment** A program aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks

in Jharkhand, Orissa and Chhattisgarh. An expenditure of Rs 100 crore has been estimated for the purpose and this program is expected to benefit 40,000 tribal living in over 400 villages in these three States.

**(e)** Assistance to government Tata Steel has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand. It has served over 50,000 people. Five thousand people have got surgical facilities and over 1,000 people received aids and appliances. Over seven lac rural and another seven Lac urban population have been benefited by the CSR activities of Tata Steel. The National Horticulture Mission program that has been taken up in collaboration with the Government of Jharkhand has benefited more than a thousand households. In collaboration with the Ministry of Non Conventional Energy and the Confederation of Indian Industry, focus is laid on renewable energy aiming at enhancing rural livelihood.

# **Tata Motors:**

#### (a) Pollution Control

Tata Motors is the first Indian Company to introduce vehicles with Euro norms. Tata Motors' joint venture with Cummins Engine Company, USA, in 1992, was a major effort to introduce emission control technology in India. To make environment friendly engines it has taken the help of world-renowned engine consultants like Ricardo and AVL. It has manufactured CNG version of buses and also launched a CNG version of its passenger car, the Indica. Over the years, Tata Motors has also made investments in the establishment of an advanced emission-testing laboratory.

#### (b) Restoring Ecological Balance

Tata Motors has planted 80,000 trees in the works and the township and more than 2.4 million trees have been planted in Jamshedpur region. Over half a million trees have been planted in the Poona region. The company has directed all its suppliers to package their products in alternate material instead of wood. In Pune, the treated water is conserved in lakes attracting various species of birds from around the world.

#### (c) Employment Generation

Relatives the employees at Pune have been encouraged to make various industrial co-operatives engaged in productive activities like re-cycling of scrap wood into furniture, welding, steel scrap baling, battery cable assembly etc. The Tata Motors Grihini Social Welfare Society assists employees' women

dependents; they make a variety of products, ranging from pickles to electrical cable harnesses etc; thereby making them financially secure.

#### (d) Economic Capital

In Lucknow, two Societies - Samaj Vikas Kendra & Jan Parivar Kalyan Santhan have been formed for rural development & for providing healthcare to the rural areas. These societies have made great efforts for health, education and women empowerment in rural areas.

#### (e) Human Capital

Tata motors has introduced many scholarship programs for the higher education of the children. Through a scholarship program Vidyadhanam, the company supports 211 students. Out of these students 132 students are from the marginalized sections of the society. These students get books, copies and other study materials. They also undergo different kinds of workshops, creative & outdoor sessions and residential camps as well. The company has entered into Public-Private Partnership (PPP) for upgrading 10 Industrial Technical Institutes (ITI) across the country.

#### (f) Natural Capital

On the World Environment Day, Tata Motors has launched a tree plantation drive across India and countries in the SAARC region, Middle East Russia and Africa. As many as 25,000 trees were planted on the day. Apart from this more than 100,000 saplings were planted throughout the monsoon.

# **Tata Chemicals Ltd (TCL)**

Tata Chemicals is making an effort for sustainability. Sustainability for the group means honesty and transparency towards stakeholders, environmental protection, generating economic value, promoting human rights and creating social capital. Tata Chemicals supports the UN Global Compact and is committed to reporting its sustainability performance in accordance with GRI (Global Reporting Initiatives) guidelines. The company runs a rural development program at Okhamandal and Babrala. Tata Chemicals Limited was one of the first organizations to hold an Impact camp, which was held at Mithapur in the year 1982, providing eye care to hundreds of patients at the Mithapur Hospital. Tata Chemicals Limited was also the first organization to run world's first hospital on wheels - the Life Line Express, through Jamnagar district for the first time between November 21, 2004 and December 21, 2004.

# <u>Titan</u>

Corporate social responsibility is a basic element of TITAN Group's governing objective and one of its corporate values. In its corporate philosophy CSR is defined as doing less harm and more good by adopting the following practices:

- ✓ Respecting and supporting local communities
- ✓ Caring for the employees
- ✓ Being an active member of society
- ✓ Committed to sustainable development
- ✓ Putting safety(at work) first

# **TISCO**

TISCO was awarded The Energy Research Institute (TERI) award for Corporate Social Responsibility (CSR) for the fiscal year 2002-03 in recognition of its corporate citizenship and sustainability initiatives. As the only Indian company trying to put into practice the Global Compact principles on human rights, labor and environment, TISCO was also conferred the Global Business Coalition Award in 2003 for its efforts in spreading awareness about HIV/AIDS.

# **Tata Consultancy Services (TCS)**

TCS aims at the Tata group's philosophy of building strong sustainable businesses community .The elements that make for strong corporate sustainability at TCS include the following: A fair, transparent corporate governance , a strong strategy for long-term growth ,Best-in-class HR processes , initiatives for community betterment and welfare. In 2010-11, TCS supported its local communities in the United States: supported the victims of the 2010 Chilean earthquake, conducted IT educational programs for high school students in Cincinnati , raised support and awareness for diabetes prevention through a series of marathon sponsorships Tata Consultancy Services runs an adult literacy program. Indian government launched Saakshar Bharat, an adult education programe in 2009 and the programe will now go online via TCS' partnership. The scheme, aimed at female

literacy aims to make literate 70 million people, of which at least 85 percent are women literate and the program has already been rolled out in 167 districts across 19 states.

#### **Tata Relief Committee**

Tata Relief Committee (TRC) works to provide relief at disaster affected areas. During natural calamities there are two phases of assistance - (a) relief measures and (b) rehabilitation program. After the Gujarat earthquake the group built 200 schools in two years and they rendered help during the Orissa floods when people lost cattles. Even after the Tsunami disaster members of TRC immediately reached the places and supplied the things required.

#### **Tata Council for Community Initiatives (TCCI)**

TCCI was established in 1994 . TCCI's mission states: "We will work together to be, and to be seen as, a group which strives to serve our communities and the society at large". TCCI is also involved in assisting Tata companies maintain sustainability reporting the guidelines of Global Reporting Initiative (GRI). It is the focal point for the UN Global Compact in India, which has 42 Tata companies as signatories, the highest in the world from a single business group.

In collaboration with the United Nations Development Programme (India), TCCI has crafted the Tata Index for Sustainable Human Development, aiming at directing, measuring and enhancing the community work that Tata enterprises is undertaking for the upliftment and welfare of the people.

Tata Corporate Sustainability Policy "No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people. - J R D Tata

#### **Dedications to the Nation at a Glance**

- ✓ Tata Health Infrastructure
- ✓ Tata main hospital at Jamshedpur
- ✓ ICU in Joda and Balangpur
- ✓ CHC in Bari and Kuhika
- ✓ Hospitals in Gobarghati, sukinda, joda, belpahar, belipada and bamnipal
- ✓ Lifeline Express||- the hospital on wheels
- ✓ Mobile health clinics

✓ Centre for hearing impaired children

#### **Tata Educational Infrastructure**

- ✓ Institute of mathematics
- ✓ Sukinda college
- √ Joda college centenary Learning centre at XIMB
- ✓ J N Tata Technical Education centre
- ✓ School of hope
- ✓ Shishu Niketan
- ✓ Balwadi schools assisted by Tata Steel

#### **Tata Sports Infrastructure**

- ✓ Tata athletics academy
- ✓ Tata archery academy
- ✓ Tata Football academy
- ✓ Tata steel adventure foundation
- ✓ Sports feeder centres
- ✓ Stadium at keonjhar

# <u>CHAPTER NO. : 4</u> <u>CONCLUSION AND</u> <u>RECOMMENDATIONS</u>

# **4.1 CONCLUSION**

While successfully completing this project, I have identified that Corporate Soc

No company in this world contributes towards the society without keeping in mind the objective of Project Maximisation. When a company contributes a part of their profit towards the society, they also create a brand value of their own name.

During the analysis, it is found that there are four areas where tata group of companies have performed excellent in Social Responsibility and these four areas got 'A' grade. These areas are Health, Education, CommunityWelfare and Environment and their PSSR is 84.62%, 83.33%, 73.08% and 70.51% respectively. Moreover it is found that four areas where companies have performed satisfactory in Social Responsibility and these four areas got B' grade. These areas are Human Resource Development, Safety, Infrastructure and Charity and their PSSR is 43.59%, 39.74%, 38.46% and 35.90% respectively. Apart fromthat it is found that there are six areas where companies have performed poor inSocial Responsibility and these four areas got 'C' grade. These areas are Quality, Employment, Agriculture, Art &Cultural, Sports and Beauty and their PSSR is 19.23%, 14.10%, 14.10%,

# **4.2RECOMMENDATIONS**

Various recommendations has come to my mind while doing thisproject,

> Adequate monitoring of recent implementations and their

disclosure in financial statements will help in maintaining a transparency of the company.

- ➤ The selection of area of corporate social responsibility must be need based.
- ➤ The choice of selection of corporate social responsibility must be based on requirement of respective geographical area of the states or nations.
- ➤ The detailed study on economic, social, medical, transport, education problems and other areas must be undertaken an all companies should work in those areas.
- ➤ The central and state government should provide some incentive to those companies which perform their duties for social responsibility.
- ➤ India is considered as young country. The young population is very significant. Thus India has to focus on problem like education and health. These two components would enhance economic status of the country. Another important area of corporate social responsibility is environment. The protection of environment will be the gift to the next generation.

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# A STUDY ON IMPACT OF COVID-19 ON E COMMERCE: A CASE STUDY OF FLIPKART

(SUBMITTED FOR THE PARTIAL FULFILMENT OF REQUIREMENT OF DEGREE OF M.COM IN ACCOUNTS AND FINANCE)

#### **SUBMITTED BY:**

SUSHMA KUMARI

Registration Number:1071921401411

College Roll Number: 102

**SUPERVISED BY:** 

MR VIJAY ANAND SAH

MONTH AND YEAR OF SUBMISSION: 13th SEPTEMBER 2021

# **ACKNOWLEDGEMENT**

I have taken efforts in this project. However, it would not have been possible without the kind support and help of many individuals and organizations. I would like to extend my sincere thanks to all of them.

I am highly indebted to MR Vijay Anand Sah Sir for his guidance and constant supervision as well as for providing necessary information regarding the project & also for their support in completing the project. I came to know about so many new things.

At last, but not the least I would like to thanks my family and friends who helped me a lot in finalizing this project within the limited time frame.

Submitted By: SUSHMA KUMARI

# Supervisor's Certificate

This is to certify that Ms. SUSHMA KUMARI a student of MASTER DEGREE OF COMMERCE in Accounting & Finance of BHAIRAB GANGULLY COLLEGE under the University of WEST BENGAL has worked under my supervision and guidance for her Project Work and prepared a Project Report with the title "A Study on Impact Of Covid 19 on E-commerce: A case study of Flipkart" which she is submitting, is her genuine and original work to the best of my knowledge.

DATE:

PLACE:

SIGNATURE:

### **Student's Declaration**

I hereby declare that the Project Work with the title "A Study on Impact Of Covid 19 on E-commerce: A case study of Flipkart" submitted by me for the partial fulfilment of the Master degree of Commerce in Accounting & Finance under the University of West Bengal is my original work and has not been submitted earlier to any other University /Institution for the fulfilment of the requirement for any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Name:

Registration:

Signature:

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# **CHAPTER 1 - INTRODUCTION**

The term E-COMMERCE means Electronic Commerce. The term E-commerce was coined back in the 1960s, with the rise of electronic commerce – the buying and selling of goods through the transmission of data – which was made possible by the introduction of the electronic data interchange. Fast forward fifty years and **e-commerce has changed the way in which society sells goods and services.** 

**Business** transaction that involve the exchange of money are covered by the term e-commerce. E-business includes all aspects of running a business that sells goods and services, including marketing, earning and retaining customers, procurement, developing business partners and customers education. In order to be successful, e-commerce and e-businesses must have quality storefronts that are simple to navigate and peruse, with accurate and thorough catalogue information. E- business became an extension of e-commerce to encompass all aspects of business became an extension of e-commerce, but E-commerce does not cover all aspects of e-business.

## **Need of the study:**

Nowadays retails stores are facing more competition in the retail business. Good stores design increasing the more visitors to the stores and increase the goodwill of the store and also plays major role to use customer giving preferences and selection of the store. And as industry research has shown ,there is much need to know the customer expectation, customer

preferences and store choices and we will find out the solutions for designing effective stores which will getting more customers and getting more profits.

## **Review of literature:**

Keywords search on "E-commerce adoption in India" "e- business in India" "E-commerce and India" and e-business and India" in various database like EBSCO, ProQuest, and Emerald Management extra found the following ten

Ecommerce /e-business research articles done in Indian context

**Raven et al.** compared Indian and China's approach in adoption of e-business. Based on the literature survey and secondary data, the study analysed various factors influencing the growth of e-business in two countries. The factors examined include government policy and focus, existing technology infrastructure regulatory environment, experience and understanding of business operations, and culture, among others.

Malhotra and singh studied the determinants of Internet banking adoption by banks in India. Patel data of 88 banks in India covering the financial years 1997-1998 to 2004-2005 was collected through CMIE (centre for monitoring Indian economy) database. Logistic regression analysis was used, the dependent variable is categorical with a value of 1 if the bank adopted Internet banking during the study period and 0 otherwise.

**Study by Tarafdar and Vaidya** examined the factor that determine the organisation inclination on adopt E-commerce (EC). The study propose a framework based on the qualitative data on four financial firms in India collected through multiple case study design. Face to face interviews was used to collect primary data and existing database, company documents, press reports and websites are used to collect primary data and existing database, company documents, press reports and websites are used to collect secondary data.

**Viswanathan and Pick** examined the issue of e-commerce in India and Mexico from the framework of developing countries as suggested by Tallon and Kramer. The framework included critical factors that might impact the diffusion of e-commerce.

#### **OBJECTIVES OF THE STUDY:**

- To know the status of E-commerce worldwide.
- To know the impact of covid 19 on the market of E commerce.
- Finding out the customers satisfaction and awareness of Flipkart.
- Finding the perception among the competitors.

#### **LIMITATIONS OF THE STUDY**

It's not possible for every market study to make it accurate due to many hurdles in the collections and computation of data. Some limitations of the study are:

- The sampling frame to conduct the study has been restricted to the area of TOLLYGUNGE South Kolkata.
- Respondents shows reluctance towards giving correct information.
- Findings are based on the assumptions that has been described by the respondents in the Questionnaire.
- Time was a major constraints.

# **CHAPTER 2 - Conceptual Framework**

'E-commerce' and 'online shopping' are often used interchangeably but at its core e-commerce is much broader than this – it **embodies a concept for doing business online**, incorporating a multitude of different services e.g. **making online payments, booking flights etc.** 

E-commerce has **experienced rapid growth since its humble beginnings** with e-commerce sales projected to grow to 599.2 billion
USD by 2024. The COVID-19 outbreak saw e-commerce sales spike 25%
in March 2020 alone. The power of e-commerce should not be
underestimated as it continues to pervade everyday life and present
significant **opportunities** for small, medium, and large businesses and
online investors. We don't need to look far to see the potential of ecommerce businesses. Amazon, for example, which set the standard for
customer-orientated websites as well as a lean supply chain, is selling over
4000 items a minute from SMBs alone.

# **HISTORY AND TIMELINE**

The term was coined and first employed by **Dr. Robert Jacobson**, Principal Consultant to the California State Assembly's Utilities & Commerce Committee, in the title and text of California's Electronic Commerce Act, carried by the late Committee Chairwoman Gwen Moore (D-L.A.) and enacted in 1984.

#### A timeline for the development of e-commerce:

- 1971 or 1972: The <u>ARPANET</u> is used to arrange a <u>cannabis</u> sale between students at the <u>Stanford Artificial Intelligence</u>
  <u>Laboratory</u> and the <u>Massachusetts Institute of Technology</u>, later described as "the seminal act of e-commerce" in <u>John Markoff</u>'s book *What the Dormouse Said*.
- 1979: Michael Aldrich demonstrates the first online shopping system.
- 1981: Thomson Holidays UK is the first <u>business-to-business</u> (B2B) online shopping system to be installed.
- 1982: <u>Minitel</u> was introduced nationwide in France by <u>France</u> <u>Télécom</u> and used for online ordering.
- 1983: <u>California State Assembly</u> holds first hearing on "electronic commerce" in Volcano, California. Testifying are CPUC, MCI Mail, Prodigy, CompuServe, Volcano Telephone, and Pacific Telesis. (Not permitted to testify is Quantum Technology, later to become AOL.) California's Electronic Commerce Act was passed in 1984.
- 1984: <u>Gateshead SIS/Tesco</u> is first B2C online shopping system and Mrs Snowball, 72, is the first online home shopper
- 1984: In April 1984, <u>CompuServe</u> launches the Electronic Mall in the US and Canada. It is the first comprehensive electronic commerce service.
- 1989: In May 1989, Sequoia Data Corp. Introduced Compumarket, the first internet based system for e-commerce. Sellers and buyers could post items for sale and buyers could search the database and make purchases with a credit card.

- 1990: <u>Tim Berners-Lee</u> writes the first web browser, <u>WorldWideWeb</u>, using a <u>NeXT</u> computer.
- 1992: <u>Book Stacks Unlimited</u> in Cleveland opens a commercial sales website (www.books.com) selling books online with credit card processing.
- 1993: Paget Press releases edition No. 3 of the first <u>app store</u>, The <u>Electronic AppWrapper</u>
- 1994: <u>Netscape</u> releases the Navigator browser in October under the code name <u>Mozilla</u>. <u>Netscape</u> 1.0 is introduced in late 1994 with SSL encryption that made transactions secure.
- 1994: <u>Ipswitch IMail Server</u> becomes the first software available online for sale and immediate download via a partnership between <u>Ipswitch</u>, <u>Inc.</u> and <u>OpenMarket</u>.
- 1994: "Ten Summoner's Tales" by Sting becomes the first secure online purchase through <u>NetMarket</u>.
- 1995: The US <u>National Science Foundation</u> lifts its former strict prohibition of commercial enterprise on the Internet.
- 1995: <u>Amazon.com</u> is launched by <u>Jeff Bezos</u>.
- 1995: <u>eBay</u> is founded by computer programmer <u>Pierre</u> <u>Omidyar</u> as AuctionWeb. It is the first <u>online auction</u> site supporting person-to-person transactions.
- 1995: The first commercial-free 24-hour, internet-only radio stations, Radio HK and <u>NetRadio</u> start broadcasting.
- 1996: The use of Excalibur BBS
- with replicated "Storefronts" was an early implementation of electronic commerce started by a group of <a href="SysOps">SysOps</a> in <a href="Australia">Australia</a> and replicated to global partner sites.
- 1998: <u>Electronic postal stamps</u> can be purchased and downloaded for printing from the Web.
- software <u>Napster</u> launches. <u>ATG Stores</u> launches to sell decorative items for the home online.
- 1999: Global e-commerce reaches \$150 billion.
- 2000: The dot-com bust.
- 2001: <u>eBay</u> has the largest userbase of any e-commerce site.
- 2002: <u>eBay</u> acquires <u>PayPal</u> for \$1.5 billion. Niche retail companies <u>Wayfair</u> and <u>Net Shops</u> are founded with the concept of

- selling products through several targeted domains, rather than a central portal.
- 2003: <u>Amazon.com</u> posts first yearly profit.
- 2004: <u>DHgate.com</u>, China's first online B2B transaction platform, is established, forcing other B2B sites to move away from the "<u>yellow pages</u>" model.
- 2007: <u>Business.com</u> acquired by <u>R.H. Donnelley</u> for \$345 million.
- 2014: US e-commerce and Online Retail sales projected to reach \$294 billion, an increase of 12 percent over 2013 and 9% of all retail sales. <u>Alibaba Group</u> has the largest <u>Initial public offering</u> ever, worth \$25 billion.
- 2015: <u>Amazon.com</u> accounts for more than half of all e-commerce growth, selling almost 500 Million SKU's in the US.
- 2017: Retail e-commerce sales across the world reaches \$2.304 trillion, which was a 24.8 percent increase than previous year.
- 2017: Global e-commerce transactions generate \$29.267 trillion, including \$25.516 trillion for business-to-business (B2B) transactions and \$3.851 trillion for <u>business-to-consumer</u> (B2C) sales

#### **BUSINESS APPLICATIONS**

## Some common business applications are:

- B2B e-commerce (business-to-business)
- B2C e-commerce (business-to-consumer)
- Conversational commerce: e-commerce via chat
- Digital Wallet
- Document automation in supply chain and logistics
- Electronic tickets
- Enterprise content management
- Group buying
- Pretail
- Print on demand
- Social networking

- Teleconference
- Usenet newsgroup
- Virtual assistant
- Domestic and international payment systems

# GOVERNMENT REGULATION WORLD WIDE

- In the **United States**, California's Electronic Commerce Act (1984), enacted by the Legislature, and the more recent California Privacy Act (2020) enacted through a popular election proposition, control specifically how electronic commerce may be conducted in California. In the US in its entirety, electronic commerce activities are regulated more broadly by the Federal Trade Commission (FTC). These activities include the use of commercial e-mails, online advertising and consumer privacy.
- In **Australia**, Trade is covered under Australian Treasury Guidelines for electronic commerce and the Australian Competition & Consumer Commission<sup>1</sup> regulates and offers advice on how to deal with businesses online, and offers specific advice on what happens if things go wrong.
- In **the United Kingdom**, The Financial Services Authority (FSA) was formerly the regulating authority for most aspects of the EU's Payment Services Directive (PSD), until its replacement in 2013 by the Prudential Regulation Authority and the Financial Conduct Authority. The UK implemented the PSD through the Payment Services Regulations 2009 (PSRs), which came into effect on 1 November 2009.
- In **India**, the Information Technology Act 2000 governs the basic applicability of e-commerce.

• In China, the Telecommunications Regulations of the People's Republic of China (promulgated on 25 September 2000), stipulated the Ministry of Industry and Information Technology (MIIT) as the government department regulating all telecommunications related activities, including electronic commerce. On the same day, The Administrative Measures on Internet Information Services released, is the first administrative regulation to address profit-generating activities conducted through the Internet, and lay the foundation for future regulations governing e-commerce in China.

# **CHAPTER 3: E-COMMERCE IN INDIA**

India has an Internet user base of about 696.77million as of May 2020, about 40% of the population. Despite being the second-largest user base in world, only behind China (650 million, 48% of population), the penetration of e-commerce is low compared to markets like the United States (266 million, 84%), or France (54 M, 81%). In India, <u>cash on delivery</u> is the most preferred payment method, accumulating 75% of the e-retail activities.

#### GROWING DEMAND

- India s E-commerce Order volume increased by 36% in the last quarter of 2020 with the personal care, beauty and wellness being the largest beneficiary.
- Tier 2 and3 cities accounted for a 90% YOY incremental volume and value growth in e-commerce market in the last quarter of 2020. Also these cities reported significant shares in the overall E- Commerce sale volume from 32% to 46% and from 26% to 43% in the last quarter of 2020 over the same period last year.

#### **ATTRACTIVE OPPORTUNITIES:**

• Despite depressed consumer spending economic slowdown and uncertainty created due to COVID -19 E commerce players are expecting high growth in the year 2021.

• Online grocery and pharmacy are also expecting a huge bulk of sale in the year 2021.

#### POLICY SUPPORT

- 100% FDI is allowed in B2B E commerce.
- 100% FDI is allowed under the automatic route in the market place model of E commerce.

#### INCREASING INVESTMENT

• **The** recent rise in digital literacy has led to an influx of Investment in E commerce firms.

#### 1. ADVANTAGES OF E COMMERCE

- <u>SAVES TIME</u>: Online shopping saves us a lot of time. We can buy any of our favourite products from home only.
- <u>COST EFFECTIVE</u>: The products can be brought at much discounted rate through shopping online. This is because online offers huge discounts and lucrative products.
- OTHER FACILITIES: The goods are freely and directly delivered at our doorstep without any extra charge. Moreover if we don't like them we can return it any time without purchasing it.

- SHOP ANY STORE WORLDWIDE: Never again be limited geographically .Many merchants don't have physical stores in every state and certainly not in every country. When you shop online you can browse through stores around the block or around the globe.
- SHIPS YOUR GIFTS DIRECTLY: When you order online u can deliver gifts or even have gifts at their doorstep at any time or even receive them at our door steps. It means you can avoid a long waits at the post office and you can delivered it fast.
- 2. MARKET SIZE AND GROWTH: The ecommerce industry was reported at \$24 billion in 2017 and was recognised as the fastest growing industry in India. The ecommerce market grew to \$38.5 billion in 2018. It is estimated that one in every three Indian shops via smartphone and online retailers deliver to 20,000 pin-codes out of the 100,000 pin-codes in India. As per Goldman Sach, India's e-commerce industry will reach \$99 billion in size while online retail is expected to more than double to around 11% by 2024 from 4.7% in 2019 while increasing at 27% compound annual growth rate (CAGR). The online grocery segment that is below \$2 billion will reach \$29 billion in size by 2024. Online grocery orders will grow from 3,00,000 per day in 2019 to more than 5 million per day by 2024. Non grocery eCommerce penetration will be 16.1 percent by 2021.

# STATUS OF E-COMMERCE DURING COVID 19 :

The demand for warehousing of 5,000 to 10,000 square feet size will increase due to COVID-19 lock-downs which lead to a surge in online orders of essential items for same day delivery especially in tier-1

cities like Mumbai, Kolkata, Bengaluru, Chennai and New Delhi. Flipkart will debut a hyperlocal service called Flipkart Quick in Bengaluru to start 90 minutes deliveries. Amazon observed spike in page views with four times increase in "Add to Cart" during the lockdown, leading to doubling of sales. It also started selling auto insurance in partnership with Acko General Insurance which is available to users through Amazon app and mobile website. With opening of 10 new warehouse, the count of Amazon warehouse in India stands at 60 across 15 states that has an area equivalent to more than 100 football fields.

The worldwide spread of the COVID-19 pandemic has disrupted how people buy products and services and how they perceive e-commerce. The standardized lockdown rules across India and the growing hesitation among consumers to go outside and shop for essential goods have tilted the nation towards e-commerce.

Consumers have switched from shops, supermarkets, and shopping malls to online portals for the purchase of products, ranging from basic commodities to branded goods.

As people have embraced social distancing as a way to slow the spread of the pandemic, there has naturally been a drop-off in brick-and-mortar shopping. That would seem to mean there would likely be an increase in online shopping as people turn to ecommerce to purchase the items they might have otherwise purchased in person.



## 3. GOVERNMENT RECENT INITIATIVES:

While Indian e-commerce is growing at a stellar rate, initiatives such as Digital India, Skill India, Startup India and Make in India are also contributing to the growth of the online trade.

Several of Narendra Modi-led BJP government's initiatives are providing a fillip to the growth of the Indian e-commerce industry. While Indian e-commerce is growing at a stellar rate and is the fastest growing online business industry in the world, initiatives such as Digital India, Skill India, Startup India and Make in India are also contributing to the growth of the online trade, CARE Rating said in a report. The industry has witnessed an annual growth rate of 51%, which is the highest globally, and from \$24 billion in 2018, the industry is expected to touch \$200 billion by 2026; over eightfold growth in eight years, according to ASSOCHAM-Forrester study paper as well Retail Association of India (RAI). Indian e-commerce is also flourishing on the back of higher internet penetration, increasing quality of internet in the country, advancements in payments and computing on mobility platforms, changing consumer behaviour and shopping patterns and the availability of products priced at lower rates on e-commerce platforms. "E-commerce is probably creating the

biggest revolution in the retail industry, and this trend will continue in the years to come," the CARE Ratings report said.

#### 4. ACHIEVEMENTS

## **Top 6 Most Significant Achievement Factors in E-commerce Business**

- 1. Platform and theme.
- 2. E-commerce plugins.
- 3. Search engine optimization.
- 4. Website content.
- 5. Check-out Process.

#### **TOP 10 INDIA'S E COMMERCE COMPANY**

- Amazon Development Centre India Pvt Ltd.
- Brainbees Solutions Pvt Ltd (Firstcry.com)
- Flipkart Internet Pvt Ltd (Walmart)
- Nykaa E-Retail Pvt Ltd.
- India MART Inter MESH Ltd.
- Snapdeal Pvt Ltd (Jasper Infotech)
- Just Dial Ltd.
- MakeMyTrip Ltd.
- Myntra Designs Pvt ltd.
- One 97 communications Ltd.

# **CHAPTER 4: FLIPKART**



Flipkart is an Indian grown E -commerce company which is also considered as Amazon of India. So it is no more good to pick out an Indian E commerce company to have a detailed analysis on.

### **FLIPKART SUCCESS STORY**

Flipkart is an Indian e-commerce company, headquartered in Bangalore, Karnataka, India, and incorporated in Singapore as a private limited company. The company initially focused on online book sales before expanding into other product categories such as consumer electronics, fashion, home essentials, groceries, and lifestyle products. In 2011, Flipkart is among India's dominant E-commerce platforms. It was started in October 2007 with its headquarters residing in Bengaluru.

Founded by **Sachin Bansal** and **Binny Bansal**, the online venture had initially begun as an online bookstore but as the firm's fame escalated, it grew and expanded its activities.

The platform started selling a variety of other products like music, mobile phones, as well as movies. With e-commerce gradually revolutionizing the world of retail and garnering its momentum in India, Flipkart expanded at a rapid pace steadily supplementing various new item categories in its collection.

Both being 2005 graduates from IIT Delhi, were officially exposed to the retail sector while working at Amazon. The two met at the workplace and explored their mutual interest in bringing about a change in the e-commerce industry of India.

This led to both quitting their jobs at Amazon in 2007, setting off to create a similar e-commerce company such as the one they worked for but focused specifically on the Indian user base. The two wished to offer Indians an online store that was created in India which led to the making of what we all now known as **Flipkart**. Presently, the company facilitates over 80 million+ products across the range of over 80 categories from mobile phones & accessories, computers, laptops, books and e-books, home appliances, electronic goods, clothes and accessories, sports and fitness, baby care, games, and toys, jewellery, footwear, and so on.

In the month of November 2020, as per Walmart, it registered a record number of monthly active customers. In order to ascertain prompt delivery to its user base, the firm presently contracts over 1 million square feet of space in various areas which include Mumbai, Hyderabad, Bengaluru, Lucknow, Ahmedabad, etc.

#### **FLIPKART BUSINESS MODEL**

Comprising more than 150 million products in 80 categories, Flipkart stands as one of the dominant e-commerce companies in the nation.

The platform adopts social media platforms like Twitter, YouTube as well as Instagram for promoting their items. Being a **Business to Consumer model** firm, it offers its users the freedom to select their sellers and items from an extensive assortment of options.

One of the USP of this Platform is its Pricing.

## **FUNDING**

The initial development budget was INR ₹400,000 (US\$5,600). It later raised funding from venture capital firms Accel India (receiving US\$1 million in funding in 2009) and Tiger Global (US\$10 million in 2010 and US\$20 million in June 2011). On 24 August 2012, Flipkart announced the completion of its 4th round of funding, netting a total of US\$150 million from MIH (part of the Naspers Group) and ICONIQ Capital. The company announced on 10 July 2013 that it had raised an additional US\$200 million from existing investors, including Tiger Global, Naspers, Accel Partners and Iconic Capital. By August 2015, after raising another US\$700 million, Flipkart had raised a total of \$3 billion over 12 rounds of funding from 16 major investors. In April 2017, Flipkart underwent another round of funding, receiving \$1.4 billion in funding from investors including eBay, Microsoft, and Tencent. On 10 August 2017, SoftBank Vision Fund invested another US\$2.5 billion in Flipkart.

On 19 September 2018, Flipkart Marketplace Singapore infused ₹3,463 crore into Flipkart Internet. The transaction was done in two tranches, according to regulatory filings.

## **REGIONAL MARKET**

The company is also busy switching to selling movies, music, mobile phones and game beside books. Flipkart is also deepening its presence in book by selling by targeting the regional language book market, which has largely been untapped. More books are read in regional languages. It is tough to get a book supplier on a board. But once that is in place, this business will further explode says Sachin.

Things are easy said than done! To realise our dreams and also in a great manner is really a great task. The founder of Flipkart have amazingly conquered their dreams with success of Flipkart. Flipkart is something that really opened up the Indian e commerce market and that also in a big way.

Flipkart began with selling books since books are easy to procure and the target market which reads the books is in abundance, books provide more margin and are easy to pack and deliver, do not get damaged in transit and most importantly books are not very expensive.

So, the amount of money a customer has to spend to one's service for one time is very minimal. Flipkart sold books only for the first two years. Flipkart started with the consignment model i.e, they had tied with two distributors of Bangalore. Whenever a customer ordered a book they personally procure the books with the dealer pack the book in their office and then delivered the same. In the initial months the founder personal number used to be the customer's support service number .So in the start they tried their best ,focus on website -easy to browse and and order hassle free.

Since there were no any any established players in the market this allowed them to grow and they did it in fact they grew very rapidly. The company started with 2 employees and has around 4500 employees. Flipkart started with customers consignment as discussed above ,since most of the customers issues like delivery days etc. results from procurement model ,the company started opening its own warehouse as they need huge investments. The company opened its first warehouse in Bangalore and then later opened in cities like Kolkata ,Mumbai ,Chennai and Delhi.

#### **COMPETITORS OF FLIPKART**

Digitalisation of several entities has made it easy for consumers to shop online and make their purchasing easy. Flipkart is the largest E-commerce portal in India and carries out approximately 20 sales per minutes . Some of the top competitors of Flipkart in the industry include the following:

#### 1. AMAZON



#### 2. SNAPDEAL



#### 3. ALIBABA



#### 4. PAYTM



#### 5. MYNTRA



#### 6. JABONG



#### 7. SHOPCLUES



## WHAT MAKES FLIPKART A SUCCESS?

<u>First Mover Advantage</u>: Flipkart still enjoys the top-of-the-mind brand recall as far as buying books is concerned. Other portals such as Uread and Dial-a-Book are still struggling to register their brands into the consumer's mind. Over the years, Flipkart has diversified quickly; they now sell electronics to mobiles to home appliances.

<u>Cash on Delivery</u>: One area where Flipkart has scored strong is reading the virtual Indian consumer mind. Though the ecommerce user has matured, a large segment is still hesitant to make transactions using credit/debit card. The cash-on-delivery model has undoubtedly got them with going with the web conservatives.

<u>Well-Marketed</u>: It initially started with word of mouth and social media, and the Bansals have carried on the momentum well. Apart from investing in technical, operational and logistical capabilities, Flipkart, like any other strong brand, have invested a lion's share in advertising, thus giving the brand a significant visibility.

**Easy to Buy:** Again, Flipkart has understood the factors that dissuade an online user in India, by allowing them to buy products without registering. Alternatively, there's Facebook and Twitter sign-in. I can tell from my own experience that the delivery is superfast if the product is in stock.

**E-commerce in the DNA:** A critical factor in Flipkart's success, especially during the initial years, is that the founders are ex-Amazon employees, hence bringing in the required expertise and skillset needed to run and grow an ecommerce portal. Sure they possess great entrepreneurial skills too, which when blended with vertical knowledge, has spun great success for the 5 year old Flipkart.

# FLIPKART'S OVERALL MARKETING STRATEGY

Flipkart is India's answer to Amazon. And just like Amazon, the company has rapidly become one of India's original unicorns. Founded by two friends, Sachin and Binny Bansal, as recently as 2007 in Bengaluru, the company is now owned by Walmart and is one of India's huge success stories. The winning Flipkart marketing strategy.

Let's talk about Flipkart's broad marketing strategy. On the face of it, their main principle seems to be focused on being present at every single touch point their customers are present at. Today this means using the majority of their budget on digital channels and marketing. Moreover, since India is a mobile-first country, this is most definitely paying off.

Flipkart also invests heavily in star power and influencer marketing. India loves Bollywood and Flipkart uses this to sell and raise awareness about their products. Ranbir Kapoor, Alia Bhatt, Amitabh Bachchan and Shraddha Kapoor have all been prominently featured in Flipkart TV ads and in their online campaigns. This shows that Flipkart not only has deep pockets, but also has an eye on the pulse of the market.

In recent years, Flipkart has increased its budget spend on digital marketing considerably. Earlier, they were spending crores in multichannel marketing campaigns that resulted in a large amount of cashburn. Since Kalyan Krishnamurthy took over Flipkart in 2017, there has been a large-scale revamp of its marketing strategy - it's become leaner and heavily based on digital, which has worked out well for them.

A study published in Livemint in 2017 outlines the very beginning of the transformation wherein potential customers showed a greater awareness of Flipkart's Big Billion Day sale as compared to other retailers.

# WHERE FLIPKART MUST CATCH UP?

Having heaped praise on Flipkart, there are a few less-critical areas where Flipkart would need to tighten the noose as the ecommerce industry in India gains traction – like a better user interface, better logistical support for electronic goods, innovation (taking cue from Amazon-innovated Kindle), scalability, and most of all profitability.

#### FLIPKART FUTURE ROAD MAP

<u>Flipkart</u> said it plans to expand its grocery services to more than 70 cities in the next coming years the Walmart-owned company looks to cash in on the burgeoning e-grocery segment in the country.

Flipkart, which competes with US e-commerce major Amazon and billionaire Mukesh Ambani-led Reliance in the country's digital commerce space, has expanded its grocery services to more than 50 cities, including Kolkata, Ahmedabad and Vellore.

This expansion will provide users of seven large cities and more than 40 neighbouring cities access to high-quality grocery products, offers, quick deliveries and the most seamless grocery shopping experience.

The pandemic has led to millions of people turning to e-commerce for their grocery purchases that has driven the sharp growth in the e-grocery not only in metros but also from tier II cities and beyond.

E-grocery is projected to grow to touch USD 24 billion GMV (Gross Merchandise Value) by 2025 from about USD 3.3 billion in 2020, as per consulting firm Red Seer.

Players like Big Basket, Grofers and others too compete with giants like Flipkart, Amazon and Reliance in the e-grocery segment in the country.

Flipkart has also expanded its services to cities beyond the metros such as Mysore, Kanpur, Warangal, Allahabad, Aligarh, Jaipur, Chandigarh, Rajkot, Vadodara, Vellore, Tirupati and Daman, through a satellite-expansion marketplace model.

"Grocery continues to be one of the fastest-growing categories, with the increase in demand for quality food and household supplies from users. In line with this, we have invested in scaling up our grocery operations across the country, strengthening ecosystem partnerships," Flipkart Senior Vice President - Grocery, General Merchandise and Furniture

Flipkart Grocery has more than 7,000 products available across over 200 categories.

According to Flipkart, its grocery operations will also give a fillip to the local food processing industry, connecting farmers producers to lakhs of consumers through the tech enabled marketplace.

Recently, Flipkart Group CEO Kalyan Krishnamurthy said the company is working on scaling up its loyalty programme, grocery and fashion business as part of its efforts to strengthen its position in the burgeoning Indian ecommerce market.

# <u>CHAPTER 5</u> : RESEARCH DESIGN

The type of design that has been used for making this project is META - ANALYSIS DESIGN.

Meta-analysis is a quantitative, formal, epidemiological study design used to systematically assess the results of previous research to derive conclusions about that body of research.

The study is being conducted for online shopping in TOLLYGUNGE area of South Kolkata, West Bengal to find out the customer preferences in Choosing Flipkart. The purpose of this study is find out preferences of customer in choosing Flipkart based on customer's income, satisfaction levels.

#### **DATA COLLECTION METHOD**

#### PRIMARY DATA

Primary data was collected through the survey method (questionnaire observation and interview) of the respondents. Observations regarding the rise of online shopping trends . The questionnaire aimed at studying the customers preferences and feedback for the online shopping sites Flipkart.

#### SECONDARY DATA

Secondary data was collected through various data and articles available on the internet.

## **SAMPLING SIZE:**

Sample size: For the research the sample size of: -

- 50 respondents were taken out of which 80% of the respondents are the frequent user of online shopping.
- The geographical area is limited within an area of Tollygunge, South Kolkata.

#### **SAMPLING PROCEDURE:**-

The tools used for analysing data are **rating methods**; **pie charts graphs**; **line diagrams** etc.

Questionnaire is distributed to the individual respondents and special attention has been given to make him/her comfortable in answering the questions.

#### DATA ANALYSIS.

Data analysis is done by compilation and tabulation of the data. The following statistical tools are applied for analysing the data:-

- \* Averages
- \* Percentages
- \* Indices
- \* Ratio's
- \* Growth trends
- \* Simple Ranking.

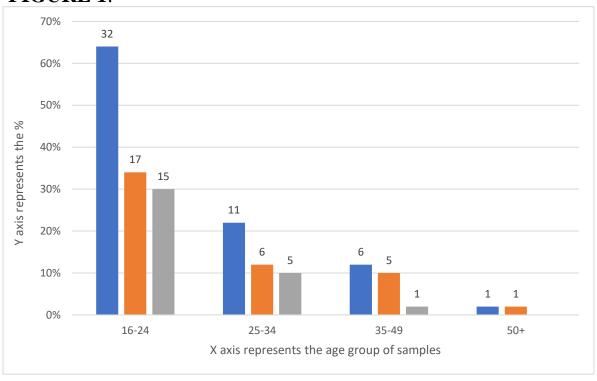
# PRESENTATION OF DATA AND ANALYSIS

On the basis of answers received from questionnaire annexed the following analysis has been made:-

**TABLE:1** 

AGE GROUP (in years)	total samples (in %)	Total samples (in no.)	male sample (in %)	Male samples (in no)	female sample (in %)	Female sample (in no)
16-24	64%	32	34%	17	30%	15
25-34	22%	11	12%	6	10%	5
35-49	12%	6	10%	5	2%	1
50+	2%	1	2%	1		
TOTAL	100%	50		29		21

#### FIGURE 1:



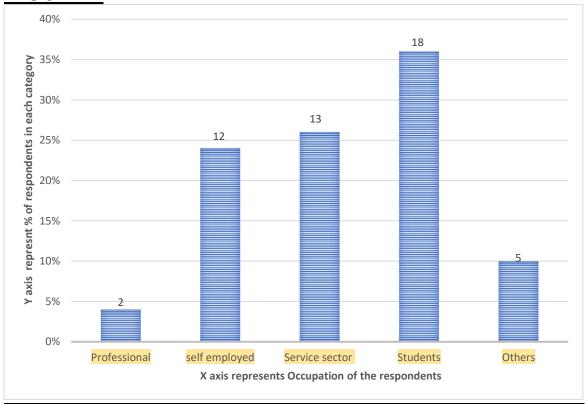
The above figure 1 ,shows the age group and Gender of the number of customers who were taken as samples for the sample study by analysing the same we could conclude the following:

- 64% of the samples belong to the age group of 16-24 years which contained 34% male samples and 30% female sample.
- 22% of the sample belong to the age group of 25-34 years which contain 12% male sample and 10% female samples.
- 12% of the samples belong to the age group of 35-49 years which contribute 10 % male samples and 2% female samples.
- 2% of the sample belong to the age group of 50+ year, which contain 2% male sample only.

#### TABLE 2

<b>OCCUPATION</b>	<u>% OF</u>	NO OF
	<b>RESPONDENTS</b>	<b>RESPONDENTS</b>
Professional	4%	2
Self employed	24%	12
Service sector	26%	13
student	36%	18
Others	10%	5
TOTAL	100%	50

FIGURE 2



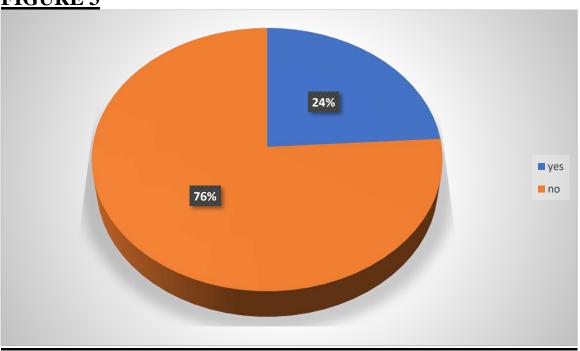
The above figure represents the Occupation of the customers who were taken as taken as samples for the sample study. By analysing the same we could conclude the following:

- 4% of the samples belongs were professionals.
- 24% of the samples were self employed.
- 20% of the samples were from service sector.
- 36% of the samples were students.
- 10% of the samples were others.

**TABLE 3**: Does covid affect E-commerce market

Respondents	yes	No
50	12	38





From the figure 3, it can be analysed that:

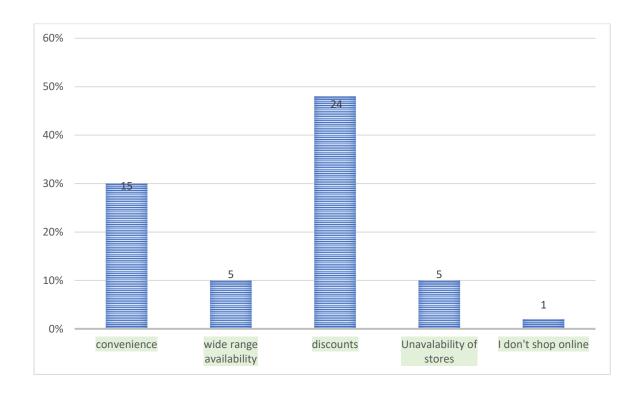
- 76% of the respondents thinks that Covid failed to affect the E commerce market.
- While rest 24% of the respondents feels that covid pandemic affect the E commerce market.

**TABLE 4** : Reason for shopping online?

Reasons	No of respondents
Convenience	15
Wide range	5
availability	
Discounts	24
Unavailability of	5
stores nearby	

I do not shop online	1
TOTAL	<u>50</u>

#### FIGURE 4:



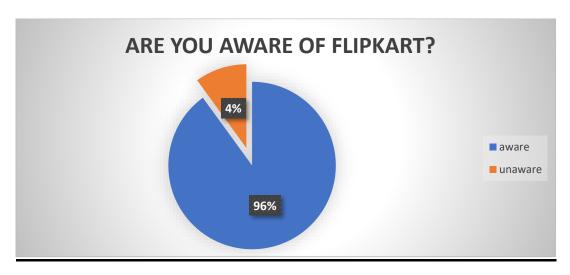
From the above figure we conclude that:

- 30% of total respondents choose online shopping mode because of convenience.
- 10% of total respondents choose online shopping due to availability of wide range facility being available.
- 48% of total respondents rely on online shopping because of highly discounts facility.
- 10% of total respondents shop online because of less no of availability of stores in this area.
- 2% of total respondents have never buy anything online.

## **TABLE 5:**

Response	% of Respondents	No of respondents
Aware	96%	48
Unaware	4%	2
Total	100%	50

## FIGURE 5



From figure 5 it can be concluded that:

- 96% of the respondents are aware of the Flipkart.
- 4% of the respondents are not aware of the Flipkart.

**TABLE 6: How often you shop online?** 

	Frequency in %	No of respondents
More than once in a	44%	22
month		
Once in 1 - 2 months	34%	17
Once in 3-6 months	14%	7
Once in 7-12 months	6%	3
Never	2%	1
Total	100%	50

#### FIGURE 6



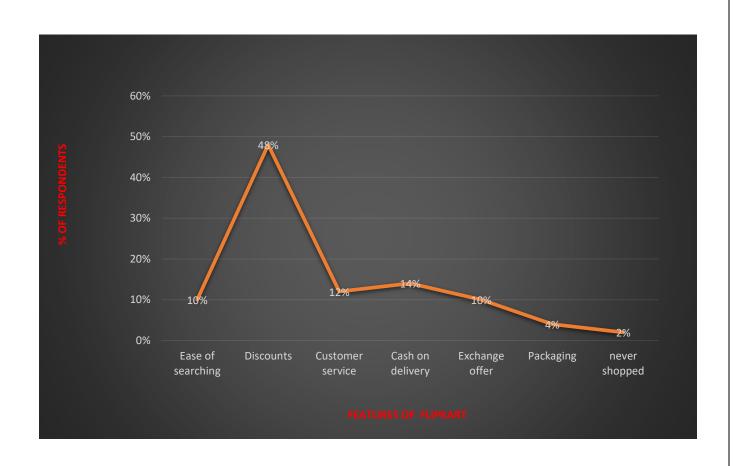
#### From figure 6 we summarize that:

- 44% of the respondents do online shopping more than once in a month.
- 34% of the samples collected do online shopping once in 1-2 months.
- 14% of the respondents do online shopping once in 7-12 months.
- 6% of the respondents buy online once in 7-12 months.
- 2% of the samples collected never buy online.

**TABLE 7: Which features you like in Flipkart?** 

<u>Features</u>	Respondents in %	No of respondents
Ease for searching the	10%	5
item you are looking		
for		
Discounts	48%	24
Customer services	12%	6
Cash on delivery	14%	7
Exchange offer	10%	5
Packaging	4%	2
I have never shopped	2%	1
at Flipkart		
TOTAL	100%	50

## FIGURE 7



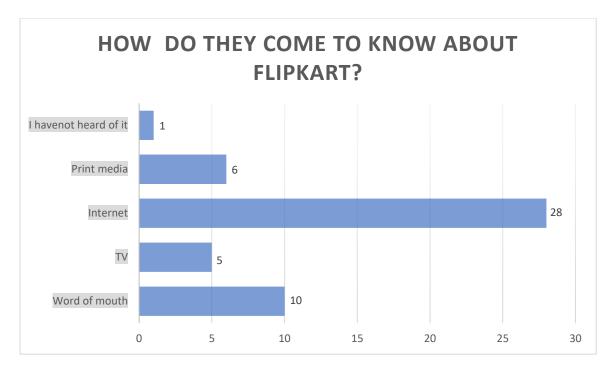
#### From the above figure we conclude that:

- 10% of the total respondents like Flipkart because of its Ease of searching products features.
- 48% of the total respondents like Flipkart because of its Discounts being offered to its customers.
- 12% of total samples likes Flipkart because of its extraordinarily good customer services.
- 14% of total respondents lure towards Flipkart because of its cash on delivery Features being given to its customers.
- 10% of the sample attracted towards Flipkart because of its Easy exchange offer facility.
- 4% of the customers like Flipkart because of its packaging.
- 2% of the total sample collected never shopped from Flipkart.

#### TABLE 8: How do they come to know about Flipkart?

SOURCE	NO. of respondents
Word of Mouth	10
TV	5
Internet	28
Print Media	6
I have not heard of it.	1
TOTAL	50

#### FIGURE 8:



From the above Figure We conclude that :-

Out of total 50 respondents:

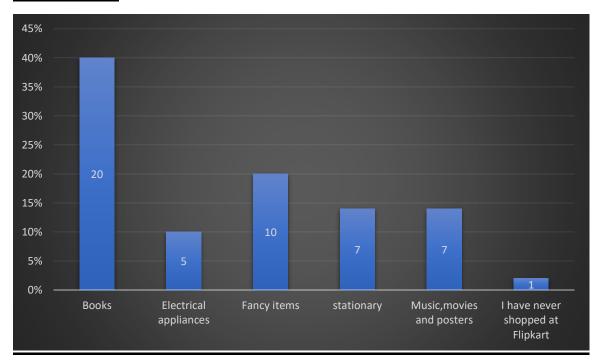
- 10 respondents get to know about Flipkart by Word of mouth.
- 5 of them know about Flipkart through TV.
- 28 which is the highest number of respondents get to know about Flipkart through Internet.
- 6 of them get to know about it through Print media.
- 1 respondent have no idea about Flipkart.

TABLE 9: What do they prefer buying from flipkart?

ITEMS	RESPONDENTS(In	RESPONDENTS(in
	<u>%)</u>	<u>no)</u>
BOOKS	40%	20
ELECTRICAL	10%	5
APPLIANCES		
FANCY ITEMS	20%	10

TOTAL	100%	50
FLIPKART		
SHOPPED AT		
I HAVE NEVER	2%	1
AND POSTERS		
MUSIC, MOVIES	14%	7
STATIONARY	14%	7

#### FIGURE 9:



#### The above figure shows that:

- 40% of total\_samples collected prefer Flipkart for buying books.
- 10% of total samples collected prefer Flipkart for buying electrical appliances.
- 20% of total samples collected prefer Flipkart for buying fancy items .
- 14% of total samples collected rely on Flipkart for buying stationary items.
- 14% of the total samples collected rely on Flipkart for buying music and posters
- 2% of total samples collected never shopped from Flipkart.

28% 60%

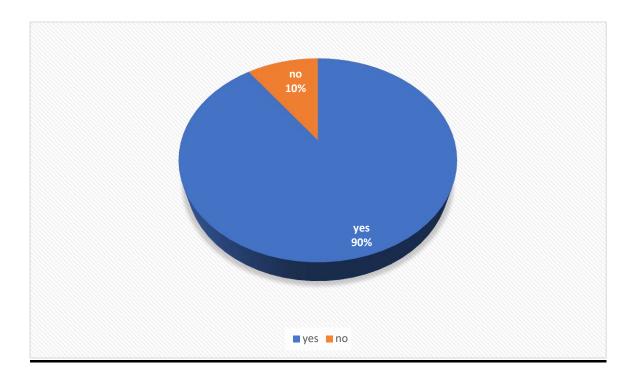
■Better ■Equal ■Poor

FIGURE 10: Overall experience with flipkart

### From the above figure we conclude that:

- 60% of the respondents i.e,30 respondents have a better experience shopping with Flipkart.
- 28% of the respondents i.e, 14 respondents have equal experience shopping with Flipkart.
- 12% of the respondents i.e,6 respondents have poor experience shopping with Flipkart.

FIGURE 11: Will You recommend flipkart to others?



From the above figure we find that:

- 90% of the total respondents have said that they will recommend Flipkart to others.
- 10% of them will not recommend it to others.

# **FINDINGS:**

- 1. As E commerce market enhances every single day there are also people who don't have basic knowledge about online shopping and how they actually work.
- 2. The last one and half year where the world including India were battling covid and facing severe depression phase in the economy E commerce sector is the only one which has evident a hike in their income and massive growth.
- 3. More than 48% of total respondents lure towards only online shopping because of the reason that they get high dicounts as compared to shopping through physical stores.
- 4. More than 44% of the total respondents shop for more than once in a single month.
- 5. Among all respondents, the student category sample has recorded the highest percentage whop shop through online.
- 6. More than 56% of the respondents come to know about Flipkart through Internet followed by Word of mouth.
- 7. 60% of the total Respondents have really a good experience shopping with Flipkart.
- 8. Around 90% of total respondents seems satisfied with the products being offered by Flipkart and they are ready to recommend it to their friends or other.

- 9. Majority of the respondents feel safe shopping online while the rest category belongs to those persons who are not really familiar with advancement and technology.
- 10. The respondents looks very happy and satisfied with the products and features being offered by the Flipkart.

## **CONCLUSIONS**

Internet shopping has become an effective way of boosting Indian economy by increasing demand, expanding consumption and promoting employment. It has improved operations through enhanced use of electronic book keeping and records management. India's online shopping percentage are increasing every year. A recent ASSOCHAM report have said that over 120 million Indian consumer are expected to shop through online this year.

At last, it can be said that Flipkart foresaw that a growing customer base meant an increased demand for products and need for variety. Flipkart embarked on acquiring sellers in order to offer a broader product selection to customers. Flipkart went an extra miles to satisfy its customers by making its warehouse available to sellers for maintaining their inventories, thus enabling faster shipping. The company is currently valued at around 38 billion dollars which is around to 27000 crore in Indian rupees. This has led to generate a massive interest in e commerce sector and has also helped in creating a lot of job opportunities and growth of Indian economy as well.

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# **QUESTIONNAIRE:**

**50 |** Page

1.	Name of the Respondent :
2.	Age of the Respondent:
	□ 16-24
	□ 25-34
	□ 35-49
	□ 50+
3.	Gender of the Respondent:
	☐ Male ☐ Female
4.	Occupation of the Respondent:
	□Professional
	□Self Employed
	□Service Sector
	□Student
	□Others
5.	Does Covid affect Ecommerce Market?
	□YES □ NO
6.	What are the reasons for shopping Online?
	□Convenience
	□Wide range availability
	□Discounts
	□Unavailability of Stores
	□I do not shop online
7.	Are you aware of Flipkart?
	□YES
	NO

8. How often do You shop online?
☐More than once in a month
□Once in 1-2 months
□Once in 3-6 months
□Once in 7-12 months
□Never
9. Which features do you like in Flipkart?
□Ease of searching the item you are looking for
□Discounts
□Customer services
□Cash on delivery
□Exchange Offer
□Packaging
□I have never shopped at flipkart.
10. How do you come to know about flipkart?
□Word of mouth
$\Box TV$
□Internet Print media
☐ I haven't heard of it
11. What do you prefer buying from Flipkart?
□Books
□Electrical appliances
□Fancy Items
□Stationary
☐Music, Movies and posters.
□I haven't shopped at Flipkart.

☐ Better	□Equal	□ Poor	
13. <b>Will you recom</b>	mend Flipkart to others	?	
□YES		$\square$ NO	
• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	•••••	

## **Project Report**

# A study on Corporate Social Responsibility activities of Tata Group of Companies

(Submitted for the Degree of M.Com. in (Accounting & Finance) from Bhairab Ganguly College under the West Bengal State University)

#### Submitted by:

Name of the Student : Swarnayan Das Registration No : 1071913401412

 Roll
 : 103

 Semester
 : 4th (M.Com)

 Session
 : 2019-21

### **Submitted at:**

Bhairab Ganguly College

Belghoria

(Under W.B.S.U.)

#### **Supervised by:**

Mr. Vijay Anand Sah Asst. Professor Department of Commerce

# **Supervisor's Certificate**

This is to certify that Swarnayan Das a student of M.COM. 4<sup>th</sup> Semester in Accounting and Finance of Bhairab Ganguly College, Bheghoria, has completed a project titled a study on corporate social responsibility activities of Tata Group of Companies under my supervision and guidance. His project work is genuine and original to the best of my knowledge.

Place: Kolkata
Date: 07/09/2021

Prof. V.A.Sah Department of Commerce

# Student's Declaration

I hereby declare that the project work with the title a study on corporate social responsibility activities of Tata Group of Companies submitted by me for the partial fulfillment of the requirements of degree of M.Com. in Accounting & Finance at Bhairab Ganguly College under the West Bengal State University is my original work and has not been submitted earlier to any other University/Institution for the fulfillment of the requirements of any course of study.

I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by me or others. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the reference.

Place : Kolkata \_\_\_\_\_

 Name
 : Swarnayan Das

 Date
 :07/09/2021

 Registration No :1071913401412

Roll No :

# Acknowledgement

I take this opportunity to pay my sincere thanks to all the people who have helped me directly or indirectly to complete my project successfully.

First of all I would like to express my sincere gratitude to Mr. Vijay Anand Sah, Asst. Professor in Commerce, Bhairab Ganguly College, Belgharia who in spite of his busy schedule provided his valuable guidance and sufficient material needed for the completion of the project.

I am also grateful to Prof. (Dr.) Subhranil Som, Principal, Bhairab Ganguly College, Belgharia for providing me the opportunity to work on the project.

Place	: Kolkata	 
		(Swarnayan Das)

Date :07/09/2021

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# Chapter 1

# Introduction

# 1.1 Background

The concept of social responsibility was traced back to the ancient times. The first stage of the CSR development happened thousand years BC where authorities introduced different rules and regulations where the workers were severely punished for being careless and injured someone during their work. "In Ancient Rome senators grumbled about the failure of businesses to contribute sufficient taxes to fund their military campaigns." (History of Corporate Social Responsibility and Sustainability) During the industrial revolution the concept grew to a whole new level and the significance of business in society started to increase exponentially. By the 1920s the new stage began that social responsibility was not seen as an ethic but became a whole new concept, however the magnitude of the concept was undervalued. As Dean of Harvard Business School Wallace B. Donham: "Business has not learned how to handle these changes, nor does it recognize the magnitude of its responsibilities for the future of civilization." (History of Corporate Social Responsibility and Sustainability)

The ideology of corporate social responsibility (CSR) has emerged as a response to pressure from the business side of growing leftist sentiment and the trade union movement in the last third of the XIX century. Incurred if the institutions of civil society demanded from businesses providing social guarantees to the workers and to ensure protection of their labor and the decline of trade unions in the mid XX century for business owners updated the task of preserving and maintaining the loyalty of motivation of subordinates, which again forced them to turn to CSR. It was then that the concept has become firmly established in the theory and practice of corporate governance in the U.S.

However the effect of globalization cannot be under estimated as it played a significant role in CSR, which forced companies to look for more creative ways of positioning information in a crowded world. Thus, CSR was the result of deep transformation of relations of private business and society in a post-industrial economy.

#### 1.2 Research Problem

Currently the concept of Corporate Social Responsibility is a subject of debate and criticism. Defenders argue that it has a solid business case, and corporations receive many benefits because they work for a broader and more long-term than their own short-term gain momentary. Critics argue that social responsibility moves away from the fundamental economic role of businesses, and distracts the company from its main goal.

Thus, there are two main approaches to the study of corporate social responsibility. On one hand we have the notion of M. Friedman, who relies on formal rationality. On the other hand, we have representatives of the second approach, the libber idea of CSR. The researchers are relying on objective research. They recognize that the social responsibility of business is complex and cannot be reduced to the bare economic interest of profit maximization.

In analyzing both views this study will find out to what extend does Milton Friedman's traditional view of the CSR increase financial profits of the company.

Before we elaborate on these two opposite approaches to the study of corporate responsibility, it should be noted that the leaders and managers of today's companies are increasingly aware of the positive impact of socially responsible behavior to achieve not only strategic but also financial goals of the business.

#### 1.3 Literature Review

The concept of CSR originated in the 1950's in the USA but it became prevalent in early 1970s. At that time US had lots of social problems like poverty, unemployment and pollution. Consequently a huge fall

in the prices of Dollar was witnessed. Corporate Social Responsibility became a matter of utmost importance for diverse groups demanding change in the business. During the 1980's to 2000, corporations recognized and started accepting a responsibility towards society. Corporate social responsibility (CSR) focuses on the wealth creation for the optimal benefit of all stakeholders – including shareholders, employees, customers, environment and society. The term stakeholder means all those on whom an organization's performance and activities have some impact either directly or indirectly. This term was used to describe corporate owners beyond shareholders as a result of a book titled Strategic management: a stakeholder approach by R. Edward Freeman in the year 1984.

- 1. According to Bowen (1953), CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society.
- 2. Frederick (1960) has stated that social responsibility means that businessmen should oversee the operation of an economic system that fulfills the expectations of the people.
- 3. Davis (1960) has argued that social responsibility is a nebulous idea but should be seen in a managerial context. He asserted that some socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long-run economic gain to the firm, thus paying it back for its socially responsible outlook (p. 70).
- 4. Bajpai (2001) has mentioned that an ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status.
- 5. Goyder (2003) has argued that Industry in the 20th century can no longer be regarded as a private arrangement for enriching shareholders. It has become a joint enterprise in which workers, management, consumers, the locality, govt. and trade union officials all play a part. If the system which we know by the name private enterprise is to continue, some way must be found to embrace many interests whom we go to make up industry in a common purpose. ||).
- 6. According to Wood (1991), CSR implies some sort of commitment, through corporate policies and action. This operational view of CSR is reflected in a firm's social performance, which can be assessed by how a firm manages its societal relationships, its social impact and the outcomes of its CSR policies and actions.

# 1.4 Objectives of the study

The main objectives of this project are-

- To understand the concept and nature of corporate social responsibility.
- To examine the corporate social responsibility practices at international level.
- To study the status of CSR practices in India.
- To explore the CSR activities of some of the companies.

# 1.5 Research Methodology

Research can be classified in many different ways on the basis of the methodology of research, the knowledge it creates, the user group, the research problem it investigates etc,

#### 1.5.1 Basic Research

This research is conducted largely for the enhancement of knowledge, and is research which does not have immediate commercial potential. The research which is done for human welfare, animal welfare and plant kingdom welfare. It is called basic, pure, fundamental research. The main motivation here is to expand man's knowledge, not to create or invent something. According to

Travers, "Basic Research is designed to add to an organized body of scientific knowledge and does not necessarily produce results of immediate practical value." Such a research is time and cost intensive.

# 1.5.2 Applied Research

Applied research is designed to solve practical problems of the modern world, rather than to acquire knowledge for knowledge's sake. The goal of applied research is to improve the human condition. It focuses on analysis and solving social and real life problems. This research is generally conducted on a large scale basis and is expensive. As such, it is often conducted with the support of some financing agency like the national government, public corporation, World Bank, UNICEF, UGC, Etc. According to Hunt, "applied research is an investigation for ways of using scientific knowledge to solve practical problems" for example:- improve agriculture crop production, treat or cure a specific disease, improve the energy efficiency of homes, offices, how can communication among workers in large companies be improved? Applied research can be further classified as problem oriented and problem solving research.

#### 1.5.3 Problem oriented research

Research is done by industry apex body for sorting out problems faced by all the companies. E.g.:- WTO does problem oriented research for developing countries, in India agriculture and processed food export development authority (APEDA) conduct regular research for the benefit of agri-industry.

- As the name indicates, Problem identifying researches are undertaken to know the exact nature of problem that is required to be solved.
- Here, one clarification is needed when we use the term 'Problem', it is not a problem in true sense. It is usually a decision making dilemma or it is a need to tackle a particular business situation.
- It could be a difficulty or an opportunity.
- For e.g.:-Revenue of Mobile company has decreased by 25% in the last year. The cause of the problem can be any one of the following:
- Poor quality of the product.
- Lack of continuous availability.
- Not so effective advertising campaign.
- High price.
- Poor caliber / lack of motivation in sales people/marketing team.
- Tough competition from imported brands.
- Depressed economic conditions
- In the same case, suppose the prime cause of problem is poor advertising campaign & secondary cause is higher pricing.
- To tackle the problem of poor advertising, we have to answer questions like, what can be the new advertising campaign, who can be the brand ambassador, which media, which channel, at what time & during which programmed advertisements will be broadcast.

# 1.5.4 Problem solving

This type of research is done by an individual company for the problem faced by it. Marketing research and market research are the applied research. For e.g.:- Videocon international conducts research to study customer satisfaction level, it will be problem solving research. In short, the main aim of problem solving research is to discover some solution for some pressing practical problem.

# 1.5.5 Quantitative Research

This research is based on numeric figures or numbers. Quantitative research aims to measure the quantity or amount and compares it with past records and tries to project for future period. In social sciences, "quantitative research refers to the systematic empirical investigation of quantitative properties and phenomena and their relationships". The objective of quantitative research is to develop and employ mathematical models, theories or hypothesis pertaining to phenomena.

The process of measurement is central to quantitative research because it provides fundamental connection between empirical observation and mathematical expression of quantitative relationships. Statistics is the most widely used branch of mathematics in quantitative research. Statistical methods are used extensively with in fields such as economics and commerce.

### **1.5.6** Qualitative Research

Qualitative research presents non-quantitative type of analysis. Qualitative research is collecting, and interpreting data by observing what people do and say. Qualitative research refers to the meanings, definitions, characteristics, symbols, metaphors, and description of things. Qualitative research is much more subjective and uses very different methods of collecting information, mainly individual, in-depth interviews and focus groups.

The nature of this type of research is exploratory and open ended. Small number of people is interviewed in depth and or a relatively small number of focus groups are conducted. Qualitative research can be further classified in the following type.

I. **Phenomenology:**-a form of research in which the researcher attempts to understand how one or more individuals experience a phenomenon.

E.g.:-we might interview 20 victims of Bhopal tragedy.

II. **Ethnography**: - this type of research focuses on describing the culture of a group of people. A culture is the shared attributes, values, norms, practices, language, and material things of a group of people.

E.g.:-the researcher might decide to go and live with the tribal in Andaman island and study the culture and the educational practices.

III. **Case study**:-is a form of qualitative research that is focused on providing a detailed account of one or more cases.

E.g.:-we may study a classroom that was given a new curriculum for technology use.

IV. **Grounded theory**: - it is an inductive type of research, based or grounded in the observations of data from which it was developed; it uses a variety of data sources, including quantitative data, review of records, interviews, observation and surveys

V. **Historical research**:-it allows one to discuss past and present events in the context of the present condition, and allows one to reflect and provide possible answers to current issues and problems.

E.g.:-the lending pattern of business in the 19th century.

In addition to the above, we also have the descriptive research. Fundamental research, of which this is based on establishing various theories. Also the research, is classified in to

**1. Descriptive research**-Descriptive research can be explained as a statement of affairs as they are at present with the researcher having no control over variable. Moreover, "descriptive research may be characterized as simply the attempt to determine, describe or identify what is, while analytical research attempts to establish why it is that way or how it came to be".

Descriptive research is "aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method".

In its essence, descriptive studies are used to describe various aspects of the phenomenon. In its popular format, descriptive research is used to describe characteristics and/or behavior of sample population.

An important distinctive trait of descriptive research compared to alternative types of studies relates to the fact that while descriptive research can employ a number of variables, only one variable is required to conduct a descriptive study. Three main purposes of descriptive studies can be explained as describing, explaining and validating research findings.

Descriptive studies are closely associated with observational studies, but they are not limited with observation data collection method, and case studies, as well as, surveys can also be specified as popular data collection methods used with descriptive studies.

**2. Exploratory research-** Exploratory research, as the name states, intends merely to explore the research questions and does not intend to offer final and conclusive solutions to existing problems. Conducted in order to determine the nature of the problem, this type of research is not intended to provide conclusive evidence, but helps us to have a better understanding of the problem. When conducting exploratory research, the researcher ought to be willing to change his/her direction as a result of revelation of new data and new insights.

Exploratory research design does not aim to provide the final and conclusive answers to the research questions, but merely explores the research topic with varying levels of depth. It has been noted that "exploratory research is the initial research, which forms the basis of more conclusive research. It can even help in determining the research design, sampling methodology and data collection method" Exploratory research "tends to tackle new problems on which little or no previous research has been done". Unstructured interviews are the most popular primary data collection method with this type of research.

Looking into the objectives of the study the research design employed for the study is descriptive research design. This research design is adopted to have greater accuracy and in depth analysis of the research study. Secondary data have been comprehensively used for the study.

# 1.5.7 Types of Data: Primary and Secondary data

There are many ways of classifying data.

A common classification is **based upon** who collected the data.

**Primary data**: Data collected by the investigator himself/ herself for a specific purpose.

*Examples*: Data collected by a student for his/her thesis or research project.

(In movies) The hero is directly told by the heroine that he is her "ideal man".

#### Some Advantages of using Primary data:

- The investigator collects data specific to the problem under study.
- There is no doubt about the quality of the data collected (for the investigator).
- If required, it may be possible to obtain additional data during the study period.

### Some Disadvantages of using Primary data (for reluctant/ uninterested investigators):

- The investigator has to contend with all the hassles of data collection.
- deciding why, what, how, when to collect
- getting the data collected (personally or through others)
- getting funding and dealing with funding agencies
- Ethical considerations (consent, permissions, etc.)
- Ensuring the data collected is of a high standard-
- all desired data is obtained accurately, and in the format it is required in
- there is no fake/ cooked up data
- unnecessary/ useless data has not been included
- Cost of obtaining the data is often the major expense in studies

**Secondary data**: Data collected by someone else for some other purpose (but being utilized by the investigator for another purpose).

**Examples**: Census data being used to analyze the impact of education on career choice and earning. (In movies) The hero reads a fictional account of the heroine's "ideal man" (written for a course in English composition) that seems to describe him accurately. He seeks confirmation from his friends, concluding that *he* is her "ideal man". (He never asks her directly, but assumes the "facts" are correct).

#### Some Advantages of using Secondary data:

- 1. The data's already there- no hassles of data collection
- 2. It is less expensive
- 3. The investigator is not personally responsible for the quality of data ("I didn't do it")

#### Some disadvantages of using Secondary data:

- 1. The investigator cannot decide what is collected (if specific data about something is required, for instance).
- 2. One can only hope that the data is of good quality
- 3. Obtaining additional data (or even clarification) about something is not possible (most often)

Exhaustive literature survey regarding the topic and related concepts has been done. Secondary data inclusive of quantitative and qualitative data as well collected from various sources including books, research papers, newspapers, articles, magazines, and websites is used for the purpose of study.

# 1.6 Limitations of the study

Following are the chief limitations of the project:

- > The study runs through time constrains.
- > Since the project is entirely based on the secondary data, obtaining additional data or even clarification about something is most often not possible.
- As it is the beginner's step so the project is based on very limited knowledge.
- ➤ One can only hope that the data is of good quality.

#### 1.7 Scheme of work

This study consists of the following chapters:

**Chapter I** – **INTRODUCTION**: - This chapter comprises of background of the study, research problem, literature review, objectives of the study, research methodology, limitations of the study, and further scope of the study.

**Chapter II** -CONCEPTUAL FRAMEWORK:-This chapter explains the meaning of Corporate Social Responsibility, types, importance, advantages, and disadvantages

Chapter III –INTERNATIONAL AND NATIONAL SCENARIO

Chapter IV- TATA GROUP AND CSR

Chapter V – DATA ANALYSIS AND INTERPRETATION

**Chapter VI – SUMMARY OF FINDINGS:**-This chapter covers the findings, conclusion recommendation portion of the project.

# 1.8 Scope for Further Research

- 1. A comparative study of Corporate Social Responsibility practices of different countries across the globe could be undertaken.
- 2. Corporate Social Responsibility is a relatively dynamic area of research in modern management; hence there is vast scope for validation and standardization of tools relating to Corporate Social Responsibility Practices of various companies.
- 3. Further study may focus on identifying and comparing the perception of line managers, staff managers and employees on Corporate Social Responsibility practices of the company.
- 4. Based on earlier research conducted relating to CSR, companies can be advised to device their policies about CSR regularly

# Chapter 2

# **Conceptual Framework**

# 2.1 Meaning

Corporate social responsibility, or CSR, is a corporation's obligation to its stakeholders, which are any groups/people that have a stake or interest in a company's success and products. This includes customers, employees, suppliers, investors and the communities surrounding the business. Stakeholders have varying needs to be met. Whereas a customer's greatest concern may be the safety of a company's products, an employee's need might be for a fair wage and safe working conditions. An investor may be concerned with profits and the bottom line, while the community may care about a business limiting the pollution it causes. Thus, corporate social responsibility means maximizing the good and minimizing the bad effects your company has on these stakeholders' diverse interests.

# 2.2 Types of Corporate Social Responsibility

There are four types of CSR according to its beneficiaries:

#### 2.2.1 Environment-Focused Corporate Social Responsibility (CSR)

This type of CSR focuses on reducing detrimental effects of the corporation's operations on the environment. The corporation innovates in its manufacturing stage to reduce the production of environment harming by-products. It also promotes the use of non-renewable energy sources to prevent harm caused to the environment by burning of fossil fuels.

#### 2.2.2 Community-Based Corporate Social Responsibility (CSR)

The corporation joins hands with other organizations (usually Non-Profit ones) to ensure the welfare of a local community's people. These organizations either fund or receive funding from corporations to perform tasks that can improve the living conditions of the community's people.

### 2.2.3 Human Resource (HR)-Based Corporate Social Responsibility (CSR)

Corporations focus on the well-being of their own staff and improve their living conditions. The companies may extend compassionate leaves like paternity leaves so that the employee can look after his newborn. They can also provide medical insurance to their employees to take care of accidents caused due to occupational hazards.

#### 2.2.4 Charity Based Corporate Social Responsibility (CSR)

In a charity-based CSR, corporations donate to organizations or individuals (usually through a charity partner) to improve their financial condition and for their general upliftment. This is the most common form of a CSR activity. Most corporations provide direct financial support to organizations or individuals who require such assistance.

# 2.3 Importance of Corporate Social Responsibility

Corporate Social Responsibility is a self-regulatory form of corporate conscience included into business models whereby it is guaranteed that the business is keenly accommodating with the force of law and ethical standards according to national and international norms. The term has been in use since the 1960s and maintained its usage extensively to shield legal and moral responsibility. Ever since its inception this sustainability strategy has been opted by companies to reflect their competitiveness. Their overall aim is to impact the society positively while get the most out of the

creation of shared value for the shareholders, stakeholders and even employees. However CSR has two threads – the first type holding the common definition of CSR by the public in general. For example, companies providing funding for valuable social causes. The second type is more headed for laying down a real plan like employment creation and economic development through environmental initiatives, manufacturing products, using safe materials, etc. To site a bright example of this, we may bring in light the "cola wars" between Coke and Pepsi, one of the oldest rivalries in business. Both have a vigorous approach towards market share yet their CSR strategies are slightly different, if not all similar, like introduction of sustainable packaging as well as policy of zero net water usage.

Despite CSR's capacity of fetching a lot to the corporate desk, a fair number of companies show high dissatisfaction towards this responsibility with some disclosing to have adopted CSR in the first place as marketing tactic and some, considering CSR as a coerced burden whose absence may have brought much more to the companies in the long run. Hence, to understand what importance CSR holds in today's era and whether its graft is worth the outcome or not, we must look at some of the following points.

#### 2.3.1 Advanced Public Image

Companies which are perceived as less self-regarding are actually favored by customers. It may be psychological but somehow people find companies with social responsibilities as more approachable. Sending out messages about your corporation's philanthropic attitude will do good to design the public image as it reflects an empathetic side of the company. Corporations can do that by supporting nonprofit organizations or through donations.

#### 2.3.2 Boosts Government Relations

To be in the good books of politicians and government regulators, companies must present a positive public perception on its seriousness about social responsibility. This is not only the best way to make easier contacts with government officials but also to avoid various investigations and probes or even public campaigns.

#### 2.3.3 Customer & Employee Engagement

It becomes easier to talk to customers or pursue them when you have a rather good message to share. When customers get interested eventually in your cause, they're slowly going to believe the ambitions of your company. Obviously this is no maneuvering but with a little effort on social responsibilities, a company reaches more public in new ways than it might do without CSR. Likewise, today's generation is ambitious and they're in the constant lookout for being associated with companies that have a good public image and is always in the media for its positive decisions.

#### 2.3.4 Brand Distinction

This is one of the reasons why companies from past incorporated CSR in the first place. But since it is a common phenomenon now, corporations are trying out new ways to build up their goodwill by experimenting on their social responsibilities. They're not only taking it seriously but bringing in a lot of creativity so that they serve their visionary purpose along with creating a distinct image for themselves in the market.

### 2.3.5 Positive Workplace Environment

Corporations that care about the lives outside the barriers of their business kind of inspire and motivate employees to walk into work each day eagerly. This enhances the relationship between the highest management to the lowest paid workers as they go on to believe that a united approach could do wonders.

Along with these there are other advantages of establishing CSR like retaining investors who want to constantly know that their funds are being used properly, creating strong partnership between nonprofit organizations and companies and dig out the best of their workforce. With so many benefits and a vision to be a company that people look upon must be the ultimate goal of every corporation after all.

# 2.4 Advantages Corporate Social Responsibility

#### 2.4.1 Improvement in the image of the Corporation

The most obvious advantage that a corporation can obtain by implementing CSR policies is that of an increased goodwill value. This serves a dual purpose – Firstly, people will want to buy the product that the corporation is selling because of its good and clean image. Secondly, other enterprises will want to do business and be associated with the corporation. This increases the corporation's prestige to such a high level that its name may become synonymous with reliability and goodness.

People always want to be associated with the best and the most popular, so in that respect, the corporation rises in stature and becomes an important player in its market.

#### 2.4.2 Increased Attraction and Retention of Employees

Companies having solid CSR commitments find it easier to recruit and retain employees. People want to work for companies that care about the well-being of their employees and provide good working conditions. Compassionate attitude towards employees is highly desired by both new recruits and old employees alike. Appraisals, financial assistance in times of need, and attention given to personal achievements and special days (like birthdays) make employees want to remain with the company.

This is a huge advantage when there is a tight labor market situation. This will reduce the cost of training new recruits and free up incentives for existing employees. Incentives induce efficient work out from employees. In short, if the company's workforce is happy, the company gets more profits due to increased efficiency in production.

#### 2.4.3 Regulatory Authorities become less hostile

A corporation with strong CSR programs will not be scrutinized by regulatory authorities as much as companies without CSR programs. The authorities will be lenient in their regulation because they feel that the company must be complying with all regulations as it is supported by firms and people alike for its welfare work. A company with strong CSR programs will always work within regulations to get benefits (other than profits) from these CSR programs.

The authorities will give fast-track preference to this company. It may also forego cumbersome paperwork that is required to set up projects if it thinks that this project is going to help the community to improve.

### 2.4.4 Attracts more Capital Inflow from Various Sources

A company's image plays a huge role in attracting investors. If the company is engaged in CSR programs, its image gets a massive boost, and so, people invest in its operations heavily. This company will attract capital even from abroad in the form of FII, thus, helping the country to get

valuable foreign exchange. It will also attract investment from other firms and industries, and it will become a name that can be trusted easily.

Even the Government of the country may be willing to invest in the company, leading to lesser regulation and red-tapism.

# 2.4.5 Generation of Clean and Renewable Energy from Environmental CSR

If the company has invested in an environmental CSR program, it will make sure that its operations do not harm the environment in any way. Inventing machines and techniques to reduce the harmful effects of its operational activities will give the community a clean environment. It will also give the company a chance to explore the usage of renewable energy for its operations.

This will reduce the cost of acquiring fossil fuels and can reduce the cost of production by a onetime investment in renewable energy production.

# 2.4.6 Positive Publicity

A popular business principle is that any publicity is good publicity. You should be known to the people to sell your product. A good CSR program will always give good publicity and even act as an advertisement for the company.

It also sets the company apart from its competitors. They may be selling a similar product at lower rates, but you are keeping the interests of your environment and community intact, and so the people do not mind a little extra charge for this thoughtfulness.

# 2.5 Disadvantages of Corporate Social Responsibility

# 2.5.1 Shift from the Profit-Making Objective

Milton Friedman, an economist, is the biggest critic of CSR. He says that CSR shifts the focus of the company from the objective that made it a financial entity in the first place – profit-making. The company forgets about its obligations towards its shareholders that they have to make profits for them. Instead of focusing on making profits, they engage in CSR programs and use up funds for community welfare.

So basically, instead of an income, the company is affecting an outflow of cash and not fulfilling its profit-making obligations.

#### 2.5.2 Company Reputation takes a hit

According to CSR policies, companies have to disclose shortcomings of even their own products if they are found to violate the CSR program. For example, car manufacturing companies calling back their vehicles in large numbers when they find glitches in the model after having sold them wallops their reputation.

This creates inconvenience to the customers, and they lose trust in the manufacturer.

#### 2.5.3 Customer Conviction

Initially, customers like to see the companies that they trust are engaged in social welfare programs. They like the fact that these programs are for a good cause. Later, they grow wary of it. If they don't see instant results from these programs, they think that these are nothing but PR stunts. So it

becomes difficult to convince customers that the results will take some time in coming and that they should continue believing in the good intentions of the company.

These attempts of convincing become fruitless day by day because some customers are impatient and have a constant desire to be appeared.

#### 2.5.4 Increase in Cost of Production

More often than not, CSR programs increase the expenditure of the company. This increased expenditure is reflected in the increased prices of the product for which, ultimately, the customers have to pay.

Large corporations can absorb this increased expenditure. They may not increase their products' prices, but small businesses have no other option but to increase their products' prices to meet their increased expenses.

# 2.6 The Pyramid of Corporate Social Responsibility

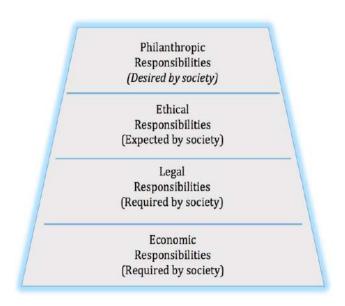
One way to view corporate social responsibility is through Carroll's pyramid, which he claims present the concept such that social responsibility will be accepted by a conscientious business person. There are four kinds of social responsibility—economic, legal, ethical, and philanthropic—which can be depicted in a pyramid, as presented in the following picture. Carroll contends that all of these responsibilities have always existed to some degree, but ethical and Philanthropic responsibilities have become significant only in recent years.

**Economic responsibilities** relate to business's provision of goods and services in society. Profits result from this activity and are necessary for any other responsibilities to be carried

Out. It is assumed that corporations will be as profitable as possible, maintain a strong competitive position, and maintain a high level of operating efficiency.

Legal responsibility relates to society expects business to conform to laws and regulations formulated by governments that act as the ground rules under which business must operate. Corporations are expected to pursue profits within framework of the law, this establishes what are considered fair operations. Society expects that all goods and services and relationships with stakeholders will meet at least minimal legal requirements.

Ethical responsibilities include those activities that are not expected or prohibited by



**Source:** This article was published in *Business Horizons* journal, July/August 1991 by Archie Carroll, "The Pyramid of Corporate Social Responsibility," 42. Copyright Elsevier & Kelley School of Business, Indiana University.

society as economic or legal responsibilities. Standards, norms, or expectations that reflect concern for select stakeholder input is fair, just, or in keeping with their moral rights. Ethics or values may be reflected in laws or regulations, but ethical responsibilities are seen as embracing the emerging values and norms that society expects of business even if not currently required by law. These responsibilities are more difficult for business to deal with as they are often ill defined or under continual public debate. Ethical responsibilities also involve the fundamental ethical principles of moral philosophy, such as justice, human rights, and Utilitarianism. The changing or emerging ethical responsibilities are constantly pushing legal Responsibilities to broaden or expand, while at the same time expecting business's ethical behavior to go beyond mere compliance with laws and regulations.

Philanthropic responsibilities involve being a good corporate citizen and include active participation in acts or programs to promote human welfare or goodwill. Examples are contributions to the arts, charities, and education. Such responsibilities are not expected in an ethical or moral sense, making philanthropy more discretionary or voluntary on the part of business even though society may have such expectations of business. Carroll views the pyramid as a basic building-block structure, with economic performance

as the foundation. At the same time, business is expected to obey the law, behave ethically, and be a good corporate citizen. Although the responsibilities are portrayed as separate elements, in practice they are not mutually exclusive; however, the separation aids managers to appreciate the different obligations that are in a constant but dynamic tension with one another. For example, there are particular tensions between economic and ethical responsibilities. In summary, Carroll views the total social responsibility of business as involving the simultaneous fulfillment of the four responsibilities—which, stated in pragmatic terms, means that the corporation Should strive to make a profit, obey the law, be ethical, and be a good corporate citizen.12 Carroll's pyramid represents one of the earliest attempts to integrate the economic and Social responsibilities of the corporation. Evidence is accumulating that supports consideration Of economic (tangible) and social (intangible) responsibilities:

- Economic (profits) and social responsibilities (ethics) are not mutually exclusive.
- Research shows that economic and social responsibilities are often inseparable.
- Corporations that consider social responsibilities seriously tend to outperform solely Profit-seeking corporations.

There is resistance to this convergence of economic and social responsibilities. Managers Who incorporate social responsibilities into decision making are sometimes labeled as "do-gooders" Who are ignoring profits? There are segments of society that suggest there is nothing Good about business and that it cannot be ethical or concerned about social issues. It is argued That business should stay out of social responsibilities, as it is often difficult to judge what is right or wrong and managers are not prepared to make such decisions.

An outcome of this shift toward integrating economic, social, and environmental

An outcome of this shift toward integrating economic, social, and environmental responsibilities has been the emergence of new concepts.

# Chapter 3 International and National Scenario

#### Global scenario

The world corporate social responsibility is ever growing and changing. Some of the prominent developments, trends and initiatives from around the world in recent past with respect to CSR are enlisted below.

With increasing competition and globalization there is an increased level of pressure for transparency and disclosure. According to CorporateRegister.com more than 5500 companies issues sustainability report around the world in 2011. This figure was around 800 a decade ago the big accounting firms are extending their contribution to audit all these disclosures and are also sponsors for fourth edition of the Global reporting Initiative Guidelines (these are guidelines that outline standard CSR disclosure). In 2012 a new initiative, the Global Initiative for Sustainability Rating, was undertaken to standardize the rating framework.

CSR is now betting viewed as differently by companies who plan to both collaborate and compete on CSR issue. The "Pulse Survey" conducted by Reputation Institute in 2011 indicates that CSR contributes more than 40% to company's reputation and thereby and multi stakeholder networks that promotes CSR collaboration. The collaboration is mainly on issues which are so massive that collaboration makes it more efficient to work on them.

The increasing drift towards globalization has stretched the scope of CSR. For example, the addition of clause for conflict minerals in Doss-Frank Financial Reform Act has opened new arena for corporate responsibility by making many businesses to track four minerals back to their sources so as to make sure that they don't add to conflict in minefields of Central Africa. The example points out to the trend that corporate world is accountable for responsible behavior in all aspects of supply chain.

There is a strong positive correlation between CSR and employment engagement. 'The society of Human Resources Management' conducted a research by comparing companies with strong sustainability initiatives with those having weaker programs and the results shows that in companies with stronger sustainability programs morale was 55% better, business processes were 43% more efficient, employ loyalty was 38% better and image of company was 43% stronger.

United Nations recently (September, 2013), through its Global Compact, signed a deal with Pearl Initiative(United Arab Emirates based private sector organization that works towards improving transparency, accountability and business practices in the Arab world) to raise CSR performance of Arab world by implementation of number of programs throughout countries in Middle East and North Africa. This will cover areas such as transparent reporting, corporate governance, responsible investment, anticorruption and supply chain integrity. The partnership hopes that the region will eventually adopt 'universally accepted principles for responsible business practices.' Among 45 companies from 17 countries that signed up the initiatiative initially Bahrian Travel(Sudan), Barrick Gold Corporation(Canada), Empressa de Energia de Bogota(Colombia), Mas Holdings (Sri Lanka), Monsour (Egypt), Rajawali Corpora (Indonesia), Sinopec (China), and Toks (Mexico).

In a recent initiative the US clothing retailers have promised to have safety standards for Bangladesh suppliers in place. The businesses that are part of 'Alliance for Bangladesh Worker Safety' confirmed that the initiative taken up by the retailers is now up and successfully running. The standards for Safety are laid down and communicated to factory managers along with safety training being organized for workers. The factory inspections will be the future step with factory owners being accountable for safety renovations in the factory employment US\$50 million low cost Inan fund provided by Alliance members. A similar initiative, 'Accord on Fire and Building Safety in Bangladesh', has been joined by more than 30 mainly European brands and retailers.

'The international Organization for Standardization' will soon come up with global standard defining the responsible use of private security companies. The ISO standards will include all areas of operation of security firms, including the risk of human rights abuses. The standards will give outline of the management systems and will provide guidance to private security companies on areas such as how to manage risks and how to comply with human rights codes. It will also educate companies about demonstrating accountability to the International Code of Conduct for Private security service Providers, which was set up in 2010 and has around 600 signatories.

"The Companies Bill 2011" that will make it compulsory for companies to spend 2% of their profits on CSR has finally been approved by Indian parliament and with this India has become the first nation to set out mandatory spending levels on corporate responsibility. The bill was passed by lower house, the Lok Sabha, in December 2012, but was subjected to certain delays. The terms of the legislation state all businesses with a market capitalization of more than five billion rupees(US\$82 million)or average annual net profits over a three-year period of 500 crore rupees (US\$ 9 million)must spend at least 2% of their profits on CR activities. There is no legal sanction if the fail to do so, but if they don't then they must provide an urgent explanation to the government as to why not. However, there are still some questions that remain unanswered including the definition of corporate responsibility that government would consider. As it stands the Bill appears to allow companies themselves to determine what 'CR activity' is.

#### **CSR** in India

CSR is not a new concept in India. Ever since their inception, corporate like the Tata Group, the Group, and Indian Oil Corporation, to name a few have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basic objective of CSR in these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. A growing number of corporate feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

Companies have specialized CSR teams that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the mainstream business. The programs are put into practice by the employees who are crucial to this process. CSR programs ranges from community development to development in education, environment and healthcare etc.

For example, a more comprehensive method of development is adopted by some corporations such as Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited. Provision of improved medical and sanitation facilities, building schools and houses, and empowering the villagers and in process making them more self-reliant by providing vocational training and a knowledge of business operations are the facilities that these corporations focus on. Many of the companies are helping other peoples by providing

them good standard of living. Mahindra & Mahindra carries out different CSR activities which focus on girl child, farmers and youth through programmes in domains like public health, education and environment. UltraTech Cement is involved in CSR activities across 407 villages in India with an aim to create self-reliance and sustainability.

Also, corporate increasingly join hands with non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems. Similarly, Greenply Industries Limited under the leadership of Shobhan Mittal, CEO and joint-Managing Director, formed Greenply Foundation to carry out CSR activities for the company. Greenply CSR has partnered with Rural Development Institute (RDI) of the Himalayan Institute Hospital Trust (HIHT) and started a healthcare initiative in Tizit, Nagaland which aims to influence reproductive and sexual health behavior of women and adolescents in the area.

Another initiative of Green ply Foundation is the 'Carpenter Guru' mobile application which is a part of the Carpenter Training programmed designed and implemented by the Foundation. Training is conducted by the Foundation for carpenters, in order to equip them with modern carpentry techniques, knowledge of modern material and skills to improve their livelihoods. More than 1,500 carpenters and contractors across Delhi, Kolkata and Bhopal have directly benefitted from this training program so far.

CSR has gone through many phases in India. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporate. Not one but all corporate should try and bring about a change in the current social situation in India in order to have an effective and lasting solution to the social woes. Partnerships between companies, NGOs and the government should be facilitated so that a combination of their skills such as expertise, strategic thinking, manpower and money to initiate extensive social change will put the socio-economic development of India on a fast track.

#### Law

Under the Indian Companies Act, 2013, any company having a net worth of rupees 500 crore or more or a turnover of rupees 1,000 crore or more or a net profit of rupees 5 crore or more has to spend at least 2% of last 3 years average net profits on CSR activities as specified in Schedule VII of the Companies Act, 2013 and as amended from time to time. The rules came into effect from 1 April 2014.

SEBI, as per its notification on August 13, 2012, has mentioned that enterprises are accountable to the larger society and "adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance". SEBI has mandated the inclusion of Business Responsibility Reports as part of the annual reports of the Top 100 listed entities based on market capitalization at BSE and NSE. It is mandatory to make these reports available on the website of the company. In 2016, SEBI extended this requirement to the Top 500 listed companies.

# **Chapter 4**

# Tata Group and CSR

Ranging from steel, automobiles and software to consumer goods and telecommunications the Tata Group operates more than 80 companies. It has around 200,000 employees across India and thus has the pride to be nation's largest private employer. Mr. Ratan N. Tata has led the eminent Tata Group successfully. He was trained as an architect at New York's Cornell University but he chose to enter the family business .He assumed the Chairmanship of the Group in 1991. Named Business Man of the Year for Asia by Forbes in 2004, Mr. Ratan Tata serves on the board of the Ford Foundation and the program board of the Bill & Melinda Gates Foundation's India AIDS initiative. Tata Group chairman Ratan Naval Tata has stepped down to pass on the entire responsibility to Cyrus Mistry. Under Tata, the group went through major organizational phases — rationalization, globalization, and now innovation, as it attempts to reach a reported \$500 billion in revenues by 2020-21, roughly the size of what Walmart is today.

Approximately two third of the equity of the parent firm, Tata Sons Ltd., is held by philanthropic trusts endowed by Sir Dorabji Tata and Sir Ratan Tata, sons of Jamsetji Tata, the founder of today's Tata empire in the 1860s. Through these trusts, Tata Sons Ltd. utilizes on average between 8 to 14 percent of its net profit every year for various social causes. Even when economic conditions were adverse, as in the late 1990s, the financial commitment of the group towards social activities kept on increasing, from Rs 670 million in 1997-98 to Rs 1.36 billion in 1999-2000. In the fiscal year 2004 Tata Steel alone spent Rs 45 crore on social services.

Tata is accredited to initiate various labor welfare laws. For example- the establishment of Welfare Department was introduced in 1917 and enforced by law in 1948; Maternity Benefit was introduced in 1928 and enforced by law in 1946. A pioneer in several areas, the Tata group has got the credit of pioneering India's steel industry, civil aviation and starting the country's first power plant. It had the world's largest integrated tea operation. It is world's sixth largest manufacturer of watches (Titan).

#### 4.1 Recognition of CSR

In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence." - Jamsetji Nusserwanji, Tata Founder, Tata Group.

"Corporate Social Responsibility should be in the DNA of every organization. Our processes should be aligned so as to benefit the society. If society prospers, so shall the organization..."- Manoj Chakravarti, G M - Corporate Affairs & Corporate Head - Social Responsibility, Titan Industries Limited in 2004.

Corporate Social Responsibility has always been taken care of by the Tata group. The founder Mr. Jamshedji Tata used to grant scholarships for further studies abroad in 1892. He also supported Gandhiji's campaign for racial equality in South Africa. Tata group has given country its first science center and atomic research center. "The wealth gathered by Jamsetji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation. Jamshed Irani, Director, Tata Sons Ltd, says, "The Tata credo is that 'give back to the people what you have earned from them'. So from the very inception, Jamshetji Tata and his family have been following this principle." (a statement on the Tata group's website www.tata.com).

In July 2004, B. Muthuraman, Managing Director, Tata Steel Limited (TISCO) announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility (CSR) standards. Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, "We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards."

# 4.2. Introducing Changes in the Company's Article and Rules for Sustaining CSR Clause No. 10 of Tata Group

"A Tata Company shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The company would also not treat these activities as optional ones but would strive to incorporate them as integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities. Tata companies are encouraged to develop social accounting systems and to carry out social audit of their operations."

Amendments were made to the Articles of Association of the major Tata group companies in the 1970s. Newly included was an article stating that the "company shall be mindful of its social and moral responsibilities to consumers, employees, shareholders, society and the local community. To institutionalize the CSR charter, a clause on this was put into the group's 'Code of Conduct.' This clause states that group companies had to actively assist in improving quality of life in the communities in which they operated. All the group companies were signatories to this code. CSR was included as one of the key business processes in TISCO. It was one of the eight key business processes identified by TISCO's management and considered critical to the success of the company.

### 4.4 CSR Activities of Tata Companies & Societies

Through the following companies and societies Tata group keeps on heading towards the fulfillment of corporate social responsibility –

#### 4.4.1 Tata Steel

Tata Steel has adopted the Corporate Citizenship Index, Tata Business Excellence Model and the Tata Index for Sustainable Development. Tata Steel spends 5-7 per cent of its profit after tax on several CSR initiatives.

#### a) Self-Help Groups (SHG's)

Over 500 self-help groups are currently operating under various poverty alleviation programs; out of which over 200 are engaged in activities of income generation thorough micro enterprises. Women empowerment programs through Self-Help Groups have been extended to 700 villages. From the year 2003 to 2006, the maternal and infant survival project had a coverage area of 42 villages in Gamharia block in Seraikela Kharsawa and a replication project was taken up in Rajnagar block. For providing portable water to rural communities 2,600 tube wells have been installed for the benefit of over four Lakh people.

#### b) Supports Social Welfare Organizations

Tata Steel supports various social welfare organizations. They include;

- > Tata Steel Rural Development Society
- > Tribal Cultural Society
- > Tata Steel Foundation for Family Initiatives
- > National Association for the Blind
- > Shishu Niketan School of Hope
- Centre for Hearing Impaired Children
- > Indian Red Cross Society, East Singhbhu

### c) Healthcare Projects

In its 100th year, the Tata Steel Centenary Project has just been announced. The healthcare projects of Tata Steel include facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS and other healthcare projects.

#### d) Economic Empowerment

A program aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh. An expenditure of Rs 100 crore has been estimated for the purpose and this program is expected to benefit 40,000 tribal living in over 400 villages in these three States

#### e) Assistance to government

Tata Steel has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand. It has served over 50,000 people. Five thousand people have got surgical facilities and over 1,000 people received aids and appliances. Over seven lacks rural and another seven Lac urban population have been benefited by the CSR activities of Tata Steel. The National Horticulture Mission program that has been taken up in collaboration with the Government of Jharkhand has benefited more than a thousand households. In collaboration with the Ministry of Non Conventional Energy and the Confederation of Indian Industry, focus is laid on renewable energy aiming at enhancing rural livelihood.

#### 4.4.2 Tata Motors:

#### a) Pollution Control

Tata Motors is the first Indian Company to introduce vehicles with Euro norms. Tata Motors' joint venture with Cummins Engine Company, USA, in 1992, was a major effort to introduce emission control technology in India. To make environment friendly engines it has taken the help of world-renowned engine consultants like Ricardo and AVL. It has manufactured CNG version of buses and also launched a CNG version of its passenger car, the Indica. Over the years, Tata Motors has also made investments in the establishment of an advanced emission-testing laboratory.

#### b) Restoring Ecological Balance

Tata Motors has planted 80,000 trees in the works and the township and more than 2.4 million trees have been planted in Jamshedpur region. Over half a million trees have been planted in the Poona region. The company has directed all its suppliers to package their products in alternate material instead of wood. In Pune, the treated water is conserved in lakes attracting various species of birds from around the world.

#### c) **Employment Generation**

Relatives the employees at Pune have been encouraged to make various industrial co-operatives engaged in productive activities like re-cycling of scrap wood into furniture, welding, steel scrap baling, battery cable assembly etc. The Tata Motors Grihini Social Welfare Society assists employees' women dependents; they make a variety of products, ranging from pickles to electrical cable harnesses etc; thereby making they financially secure.

#### d) Economic Capital

In Lucknow, two Societies - Samaj Vikas Kendra & Jan Parivar Kalyan Santhan have been formed for rural development & for providing healthcare to the rural areas. These societies have made great efforts for health, education and women empowerment in rural areas.

#### e) Human Capital

Tata motors have introduced many scholarship programs for the higher education of the children. Through a scholarship program Vidyadhanam, the company supports 211 students. Out of these

students 132 students are from the marginalized sections of the society. These students get books, copies and other study materials. They also undergo different kinds of workshops, creative & outdoor sessions and residential camps as well.

The company has entered into Public-Private Partnership (PPP) for upgrading 10 Industrial Technical Institutes (ITI) across the country.

#### f) Natural Capital

On the World Environment Day, Tata Motors has launched a tree plantation drive across India and countries in the SAARC region, Middle East Russia and Africa. As many as 25,000 trees were planted on the day. Apart from this more than 100,000 saplings were planted throughout the monsoon.

#### 4.4.3 Tata Chemicals Ltd (TCL)

Tata Chemicals is making an effort for sustainability. Sustainability for the group means honesty and transparency towards stakeholders, environmental protection, generating economic value, promoting human rights and creating social capital. Tata Chemicals supports the UN Global Compact and is committed to reporting its sustainability performance in accordance with GRI (Global Reporting Initiatives) guidelines. Its main operations for environment protection include optimal use of resource, finding and/or generating alternative sources of fuel and raw materials, and maximizing reuse and recycling. All in all they have the policy of avoid, reduce and reuse'. The company runs a rural development program at Okhamandal and Babrala.

Tata Chemicals Limited was one of the first organizations to hold an Impact camp, which was held at Mithapur in the year 1982, providing eye care to hundreds of patients at the Mithapur Hospital. Tata Chemicals Limited was also the first organization to run world's first hospital on wheels - the Life Line Express, through Jamnagar district for the first time between November 21, 2004 and December 21, 2004.

#### 4.4.4 Tata Tea

Tata Tea has been working hard since the 1980s to fulfill the needs of specially-able people. It has set up the **Srishti Welfare Centre at Munnar, Kerala**; its various programs provide education, training and rehabilitation of children and young adults with special needs.

#### Srishti has four projects:

- a) The DARE School
- b) The DARE strawberry preserve unit
- c) Athulya
- d) Aranya.

Tata Tea's welfare officers help identify and encourage relatives or children of employees who are handicapped to join the Welfare Centre for special education and rehabilitation.

#### • The DARE

It provides the students with training in basic academics, self-help skills and skills like gardening, cooking, weaving etc. Children are taught to paint and some of the paintings are printed and sold as greeting cards. The sales proceeds of which are used back into the units.

#### • The DARE strawberry

It preserves unit trains youngsters to make natural strawberry preserve. The trainees are paid for the work; they receive social cover, free medical aid and other benefits.

#### • Athulya

It has two units -

- (i) A vocational training center that imparts training in stationery-making
- (ii) A handmade paper-making unit which trains physically challenged persons in the art of making recycled paper

#### • Aranya

This project was started to nurture the lives of the disabled and also to revive the ancient art of natural dye. Individuals are given training in various natural dyeing techniques including block printing, tie and dye, batik work, etc. Their products are sold in and outside the country. Tata Tea's Jaago Re! Campaign exemplifies the Social-Cause Marketing Initiatives.

#### 4.4.5 Titan

Corporate social responsibility is a basic element of TITAN Group's governing objective and one of its corporate values. In its corporate philosophy CSR is defined as doing less harm and more good by adopting the following practices:

- Respecting and supporting local communities
- Caring for the employees
- Being an active member of society
- Committed to sustainable development
- Putting safety(at work) first

Titan has employed 169 disabled people in blue collar workforce at Hosur.

#### **4.4.6 TISCO**

TISCO was awarded The Energy Research Institute (TERI) award for Corporate Social Responsibility (CSR) for the fiscal year 2002-03 in recognition of its corporate citizenship and sustainability initiatives. As the only Indian company trying to put into practice the Global Compact principles on human rights, labor and environment, TISCO was also conferred the Global Business Coalition Award in 2003 for its efforts in spreading awareness about HIV/AIDS.

#### **4.4.7 TELCO**

TELCO, Puna has started community development activities for the benefit of TELCO families and local residents in 1973 with the following objectives:

- 1. To create social awareness in all the employees and their families, to promote congenial mutual relations amongst them, to improve personal and environmental hygiene and health
- 2. To help the families of employees develop better living standards by organizing extension education programs, training in various trades/skills and providing opportunities to earn additional income. TELCO is fighting against Leprosy at Jamshedpur.

#### **4.4.8 Tata Consultancy Services (TCS)**

TCS aims at the Tata group's philosophy of building strong sustainable businesses community .The elements that make for strong corporate sustainability at TCS include the following: A fair, transparent corporate governance, a strong strategy for long-term growth, Best-in-class HR processes, initiatives for community betterment and welfare.

In 2010-11, TCS supported its local communities in the United States: supported the victims of the 2010 Chilean earthquake, conducted IT educational programs for high school students in Cincinnati, raised support and awareness for diabetes prevention through a series of marathon sponsorships

Tata Consultancy Services runs an adult literacy program. Indian government launched Saakshar Bharat, an adult education program in 2009 and the program will now go online via TCS 'partnership. The scheme, aimed at female literacy aims to make literate 70 million people, of which at least 85 percent are women literate and the program has already been rolled out in 167 districts across 19 states.

#### **4.4.9 Tata Archery Academy**

The Tata Archery Academy was established in Jamshedpur in 1996. The academy has all the training facilities like highly efficient coaches, archery grounds, equipment from India and abroad. It also provides hostel and multi gymnasium facilities for its cadets.

After a rigorous selection process being carried all over India, the Academy selects boys and girls between the age group of 13 to 18 years for the four years course and it provides the training during which the cadets

are also imparted with formal education. Some of the major championships where the of the Tata Archery Academy cadets have participated and have won several medals are Junior world Archery Championship, Senior World Archery Championship, Asian Archery Championship, Commonwealth Games and Asian Games.

#### 4.4.10 TOMS

Tata Quality Management Services (TQMS - a division of Tata Sons) had been entrusted with the task of institutionalizing the Tata Business Excellence Model (TBEM). The TBEM provides each company with a wide outline to help it improve business performance and attain higher levels of efficiency and productivity. It aims to facilitate the understanding of business dynamics and organizational learning. TBEM is a customizedto-Tata'adaptation of the globally renowned Malcolm Baldrige model. TBEM model focuses on seven core aspects of operations: leadership, strategic planning, customer and market focus, measurement, analysis and knowledge management, human resource focus, process management and business results. Performance is measured in absolute points; companies have to achieve a minimum of 500 points (out of 1,000) within four years of signing the BEBP agreement.. TQMS helps Tata companies use the model to gain insights on their business strengths and opportunities for improvement. This is managed through an annual process of assessment and assurance. The model, through its regular and calibrated updates, is used by Tata companies to stay in step with the ever-changing business environment.

### **TBEM based performance excellence goals:**

Basically TBEM Criteria is designed to help organizations use an integrated approach to performance management that results in delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability improvement of overall organizational effectiveness organizational and personal learning.

#### 4.4.11 TCSRD

Tata Chemicals Limited (TCL) set up the Tata Chemicals Society for Rural Development (TCSRD) in 1980 to promote its social objectives for the communities in and around Mithapur, where its facility is located. This service was further extended to the communities in and around its Babrala and Haldia facilities.

Through Tata Chemicals Society for Rural Development (TCSRD) Tata Chemicals works to improve the quality of life of the people and communities. It also aims at supporting sustainable development, which is the central theme of the company's corporate philosophy. It works to protect and nurture the rural populations in and around TCL's facilities, and assists people in attaining self-sufficiency in natural resource management, livelihood support. It also aims at the building of health and education infrastructure i.e. schools and hospitals, maternity centers etc.

The initiatives that TCSRD is involved in include:

- Agricultural development
- Animal husbandry
- Watershed development
- o Education
- o Rural energy
- Women's programs
- Relief work

#### **4.4.12 Tata Relief Committee**

Tata Relief Committee (TRC) works to provide relief at disaster affected areas. During natural calamities there are two phases of assistance - (a) relief measures and (b) rehabilitation program.

After the Gujarat earthquake the group built 200 schools in two years and they rendered help during the Orissa floods when people lost cattle's. Even after the Tsunami disaster members of TRC immediately reached the places and supplied the things required.

#### **4.4.13 Tata Council for Community Initiatives (TCCI)**

TCCI was established in 1994. TCCI's mission states: "We will work together to be and to be seen as, a group which strives to serve our communities and the society at large". TCCI is also involved in assisting Tata companies maintain sustainability reporting the guidelines of Global Reporting Initiative (GRI). It is the focal point for the UN Global Compact in India, which has 42 Tata companies as signatories, the highest in the world from a single business group.

In collaboration with the United Nations Development Programme (India), TCCI has crafted the Tata Index for Sustainable Human Development, aiming at directing, measuring and enhancing the community work those Tata enterprises is undertaking for the upliftment and welfare of the people.

#### **4.5 Tata Corporate Sustainability Policy**

"No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people. - J R D

Tata The corporate policy of the group encompasses the sustainable development of all the stakeholders. The major points included in the corporate policy are following:

- Demonstrate responsibility and sensitivity to biodiversity and the environment
- Comply with rules and regulations relating to environment
- constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements that will combat larger issues like climate change and global warming
- Create sustainable livelihoods and build community through social program pertaining to health, education, empowerment of women and youth, employee volunteering,
- Find ways to enhance economic human, social and natural capital for bringing and maintaining a balance among business, society and environment.

#### 4.6 Dedications to the Nation at a Glance

#### 4.6.1 Tata Health Infrastructure

- Tata main hospital at Jamshedpur
- ICU in Joda and Balangpur
- CHC in Bari and Kuhika
- Hospitals in Gobarghati, sukinda, joda, belpahar, belipada and bamnipal
- Lifeline Express- the hospital on wheels
- Mobile health clinics
- Centre for hearing impaired children

#### **4.6.2** Tata Educational Infrastructure

- Institute of mathematics
- Sukinda college
- Joda college centenary Learning centre at XIMB
- J N Tata Technical Education centre
- School of hope
- Shishu Niketan

#### **4.6.3 Tata Sports Infrastructure**

- Tata athletics academy
- Tata archery academy
- Tata Football academy
- Tata steel adventure foundation
- Sports feeder centers
- Stadium at keonjhar

#### 4.6.4 Preservation of culture & Heritage

• Contribution to setting up national Center for performing arts Mumbai

•	Γribal cultural centers Gramshree mela activi	showcases legacy	of nine tribes Jha	rkhand and Orissa	ı.	
•	Jianishree meia acuv	ues				

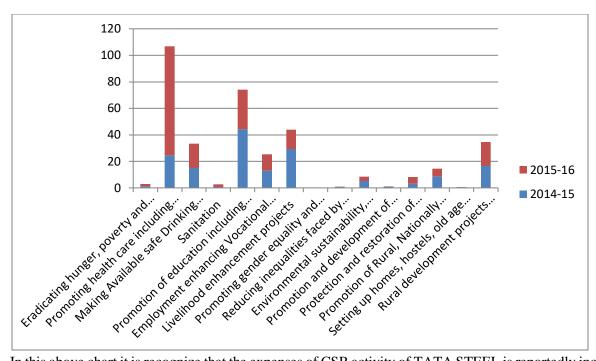
# **Chapter 5**

# **Data Analysis and Interpretation**

# TATA STEEL

(RS. in crore)

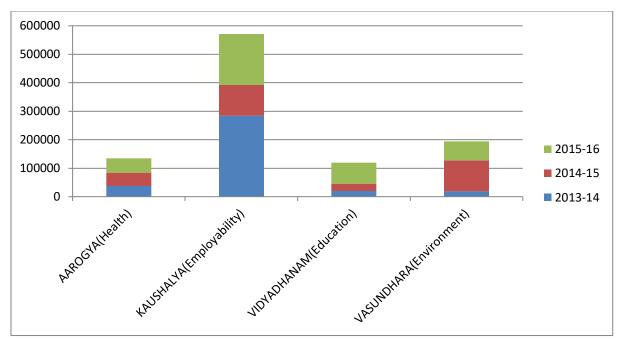
		(RS. In crore)
CSR project or activity identified	2014-15	2015-16
1.Eradicating hunger, poverty and malnutrition	1.21	1.65
2.Promoting health care including preventive Healthcare	24.48	82.34
3.Making Available safe Drinking Water	14.93	18.31
4.Sanitation	0.57	2.14
Total	41.19	104.44
5. Promotion of education including special education	44.25	29.93
Total	44.25	29.93
<b>6</b> .Employment enhancing Vocational skills especially to Women, Children, Differently able	13.06	12.28
7.Livelihood enhancement projects	29.34	14.64
<b>8</b> .Promoting gender equality and empowering women	0.01	0.03
<b>9.</b> Reducing inequalities faced by socially and economically backward groups	0.67	0.35
Total	43.08	27.30
10.Environmental sustainability, protection of flora & fauna, agro forestry, animal welfare, resource conservation, maintaining quality of soil, air, water	5.11	3.27
Total	5.11	3.27
11.Promotion and development of traditional arts and handicrafts	0.85	0.41
<b>12</b> .Protection and restoration of national heritage, Promotion of art, culture, handicrafts, setting up public libraries etc	3.22	4.95
Total	4.07	5.36
<b>13</b> .Promotion of Rural, Nationally recognized, Paralympics and Olympic sports especially training	8.61	5.99
14. Setting up homes, hostels, old age homes, day care centers for women, orphan, elderly	0.34	0.43
15.Rural development projects (infrastructure and other developments)	16.64	18.00
Total	16.98	18.43
Total Direct expenses of projects & programmers (A)	163.29	194.72
Overhead Expenses (restricted to the 5% of total CSR expenditure) (B)	8.17	9.74
Total(A) + (B)	171.46	204.46
	1/1.40	204.40



In this above chart it is recognize that the expenses of CSR activity of TATA STEEL is reportedly increased in financial year 2015-16 compare to preceding financial year 2014-15. In financial year 2014-15 the company incurred 171.46 crore where as in the financial year 2015-16 the company incurred 204.46 crore. That means is the company increases their CSR activity expenditure in 2015-16 by 19.2465% (approx) or 33 crore relating to the preceding year 2014-15.

# **TATA MOTORS**

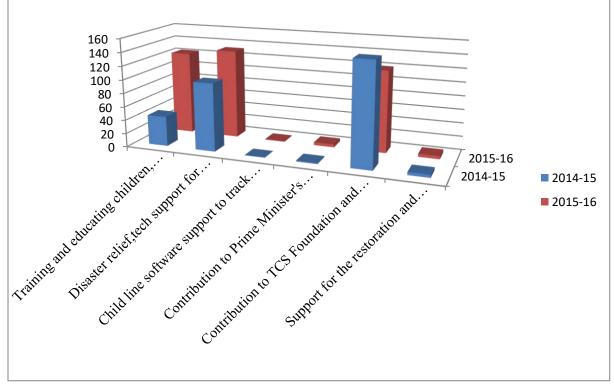
Name of the Project	2013-14	2014-15	2015-16
AAROGYA(Health)	More than 2,84,000 persons were benefited in 2013-14	Addressing Child Malnutrition=1102 Health Awareness among Females=9385 Preventive & Curative Health Services=98083	Amruthdhara has made a difference to 16,000 people while 178,200 have benefitted from their health programmed.
VIDYADHANAM(Ed ucation)	More than 37,000 children were benefited in 2013-14	Scholarships (Secondary Classes)=1502 Special Coaching(Secondary Classes)= 24784 School Infra improvement= 12175 Co-curricular activities=8314	Their education programmed has helped 51,000 students.
KAUSHALYA(Emplo yability)	More than 20,000 youth were benefited in 2013-14	Professional Driver Training(Novice and Refresher)= 22171 Motor Mechanic Vehicle Training=784 Training in Non-Auto Trades=1110 Training in Agriculture & Allied Trades=1837	During the year, they skilled 73,000 youth. They also engage with community-based groups of women and farmers to help them earn supplementary incomes through our agriculture and allied programmers.
VASUNDHARA(Environment)	More than 18,500 people participated in our environmental awareness programmed in 2013-14	Environmental Awareness among Students= 15263 Solar Study Lamps for Students=8500 Tree Plantation=85140	Their sessions have witnessed 12,600 participants. They have also planted 67,000 trees on wastelands in an attempt to increase the green cover.
AMRUTDHARA(Drin king Water Project)		Drinking Water Projects 16163	



In this above bar chart it is compared that the CSR activity of TATA MOTORS in different years and different field of social activity. Here in the project aarogya, More than 2, 84,000 were benefitted (2013-14), and a comparative study from 2014 to 2016 has demonstrated that through developmental health programmes, like 'Amruthdhara' etc. the health standards are improved day by day. Through this Vidyadhanam project, more than 37,000 children were benefitted (2013-14), and it increased over the years through special Coaching classes programmes, School improvements and co curricular activities. The other programmes like "KAUSHALYA" "VASUNDHARA" and "AMRUTDHARA", it clearly shows that the company's expenditure over CSR is gradually increased and they are trying to gather more number of people to come under the tree by giving employment, environmental support etc.

#### **TCS**

CSR Project or Activity identified	<b>2014-15</b> (Rs in Crore)	<b>2015-16</b> (Rs. In Crore)
Training and educating children, women, elderly, differently-able, scholarships, special education and increasing employability	43.9	123.18
Disaster relief, tech support for hospitals including cancer institute's, financing hygienic sanitation	100	131.93
Child line software support to track missing children	0.26	1.09
Contribution to Prime Minister's National Relief Fund & other Central Government Funds	1.59	4.44
Contribution to TCS Foundation and other Trusts engaged in socio- economic development and relief work	150	120.00
Support for the restoration and renovation of the heritage structure	4.2	4.70



In the above chart it is compared that two financial years' (FY 2014-15 and 2015-16) CSR data of TCS and we found that that the company spent in financial year 2015-16 for Training and educating children, women, elderly, differently-able, scholarships, special education and increasing employability in a significant way related to preceding year 2014-15. TCS spend rupees 79.28 crore more than previous year 2014-15. The others programmes like Disaster relief, tech support for hospitals including cancer institute's, financing hygienic sanitation, Child line software support to track missing children etc the company spent well related to previous year.

# Chapter 6

# **Summary of Findings**

# **6.1Findings**

This study has important implications for Information Technology industry with regards to Corporate Social Responsibility. The findings obtained from the research are as follows.

- 1. 35 companies replied that CSR is a part of their business strategy
- 2. More and more companies are realizing that CSR has become a part of their business strategy.
- 3. Tata group distinctly emerges as a performer in not only adopting CSR, but also in managing it.
- 4. The managers of selected companies are not provided with any training to deal with social issues. The training to develop expertise while dealing with social issues is not considered important was the opinion of respondents.
- 5. The companies follow code of ethics to a great extent with respect to their stakeholders. This means that the companies are desirous of maintaining strong and ethical relations with their respective stakeholders.
- 6. Tata Group includes supporting educational institutions, cultural development, rural development, and providing relief to the poor.
- 7. Tata Group gives importance to Human Resource as a part of Corporate Social Performance. This indicates that these companies treat employees as valuable assets and team members, and not just contract employees.
- 8. Due to globalization the world has shrunk because of which crossing the border of the country for doing business has become a common feature
- 9. The government perceives CSR as a contribution to the nation's sustainable development goals. Essentially, it is about how a business takes into account the economic, social and environmental impact of the way in which it operates.
- 10. The study postulates that an organization cannot simply adopt and implement the corporate social responsibility practices without considering important factors.
- 11. This study highlights the culture of the firm and its business ethics as factors for CSR activates. A combination of these variables will influence the degree to which an organization can be deemed to be CSR oriented.
- 12. Ethical climate for decision making is highly accepted by all the companies
- 13. Acceptance of CSR by the companies having higher annual turnover is more than the companies having lower annual turnover.
- 14. The companies under study also keep record of E-Waste and make efforts to curtail it.

#### **6.2 Conclusion**

Social changes in society are successful when they consciously and responsibly involved the most significant force. Interaction of political, social and economic subjects, based on the principles of social partnership, ensures stable and gradual development of the state. With the increasing importance of non-financial factors of sustainable development, such as social stability, environmental safety, updated theoretical and practical aspects of social responsibility.

Relevance of research associated with the processes of globalization, reinforcing the role of large companies in the economic development. Nation-states are gradually yielding to pressure multinational corporations and economic independence, and social policy. Counter this trend is to be co-ordinate action, ensuring the achievement of indicators of social responsibility, which comply with international standards and principles of sustainable development.

Market globalization, the transformation of the national in the world, identifies the need for an economic entity of innovation in engineering, technology, labor and management, based on the use and application of science and best practices. At the center of all these phenomena is the intellectual capital - the quality

of the labor force and motivation. The lack of comprehensive scientific developments in the field of modern management, social technologies complicates the interaction of domestic enterprises, government and society. In the implementation of socially responsible policy, the role of corporate governance, ensuring the achievement of social, economic and environmental goals of the enterprise. Science-based decision management problems can provide an enabling social and psychological condition of the enterprise, to influence the development of relations with stakeholders in a timely manner to prevent social tensions, without violating the principles of economic efficiency.

Social responsibility is also manifested in the implementation of commitments made at the level of functional units of the organization, especially top management. Develop procedures for social policy, social programs, the performance criteria must comply with the rules and principles of public law. One way of forming objective information about the social impact of the company is to evaluate the effectiveness of non-financial risks, including - social. Actual development of common approaches to assessing the effectiveness of the implementation of socially responsible policies. Evaluation of the quality management affects the position of the company in the financial markets, maintaining a conflict-existence of society, sustainable development.

# **6.3 Suggestions**

In the light of the findings of the study the following actions can be recommended for more effectiveness in Corporate Social Responsibility, the I T companies can perform.

- 1. The companies should make a deliberate attempt to formulate and incorporate social objectives into their economic objectives and Mission Statement.
- 2. Public disclosure of corporate information and activities involving social as well as economic matters should be made mandatory. Companies having a higher annual turnover should develop "corporate leadership" that would help low annual turnover companies to develop corporate citizenship in order to fulfill the role of citizenship.
- 3. There should be a willingness to discuss activities with third party or corporate rating organization i.e. accept formal and informal inputs from outside groups, which can be incorporated in decision making process. The managers should be given formal training in developing expertise in social performance. In case the organization cannot afford to allow their managers to fulfill social obligations then the management should use the expertise of external parties. It is strongly suggested that the companies create a CSR Officer, who would be involved in CSR activities for the company.
- 4. The high annual turnover companies should take the initiative to build a network of Industries to enhance environmental protection.
- 5. Philanthropy practiced by the companies should benefit the public at large, and not just some specific group or community, which is generally the practice. This could be achieved by working in association with NGOs.
- 6. Before tie- up with Non Government Organization company should asses the quality and performance of NGO
- 7. Every year budget must be increased because there is a greater scope and need in the society for its development.
- 8. Every year before allocating funds, there should be an appropriate survey conducted as to where the funds would be channelized; as sometimes the pattern of spending is regular and monotonous. After all CSR is Management Paradise hence there is a need for it to be undertaken carefully and with variations considering the evaluation at beneficiary level.
- 9. Company can take guidance from ISO 26000 for CSR
- 10. Company should follow the guidance in respect of CSR given by Ministry of Corporate Affaires
- 11. Company should avail services from the Consultants who are expert in CSR consulting field.

- 12. New Companies should contact established companies for CSR activity to perform in proper direction.
- 13. The positive approach of CSR by corporate for the development of the society will provide a great benefit to community in terms of customer satisfaction, economic development, job opportunity and overall improvement in standard of living.
- 14. At the same time corporate will also enjoy many benefits in terms of good image in the society, brand loyalty by customer, maximum profit and healthy competition in the global environment

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# **PROJECT REPORT**

(Submitted for the Degree of M.Com in Accounting and Finance under the West Bengal State University)

#### **Title of the Project**

Travel and Tourism of India (Survive, Revive and Thrive in times of Covid-19)

### **Submitted By:**

Name of the Candidate: VIVEK KUMAR TRIVEDI

Registration Number: 1071911401409

Name of the College: BHAIRAB GANGULY COLLEGE

College Roll Number: 100

### Supervised By:

Name of the Supervisor: DR. SURAJIT SENGUPTA

Name of the College: BHAIRAB GANGULY COLLEGE

Month and Year of Submission

September/2021



## **ACKNOWLEDGEMENT**

On the very outset of this project, I would like to extend my sincere and heartfelt obligations towards all the personages who have helped me in this endeavour. Without their active guidance, help, cooperation and encouragement, I would not have made a headway in the project.

I am ineffably indebted to **Dr. Surajit Sengupta Sir** for conscientious guidance and encouragement to accomplish this assignment. Also, I am extremely thankful and pay my gratitude to my supervisor for his valuable guidance and support on completion of this project in its presently.

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At last, but not least, gratitude goes to all of my **friends** who directly or indirectly helped me to complete this project report.

Any omission in this brief acknowledgement does not mean lack of guidance.

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# **SUPERVISOR'S CERTIFICATE**

This is to certify that Mr. VIVEK KR. TRIVEDI, a student of M.Com in Accounting and Finance of Bhairab Ganguly College under the West Bengal State University has worked under my supervision and guidance for his Project Work and prepared a ProjectReport with the title "Travel and Tourism of India (Survive, Revive and Thrive in times of Covid-19)" which he is submitting, is his genuine and original work to the best of my knowledge.

Place: KOLKATA

Date:1<sup>st</sup> September, 2021

**Signature** 

Name: DR. SURAJIT SENGUPTA

Designation: Assistant Professor

Name of the college: BHAIRAB GANGULY

COLLEGE

# **STUDENT'S DECLARATION**

I hereby declare that the Project Work with the title "Travel and Tourism of India (Survive, Revive and Thrive in times of Covid-19)" submitted by me for the partial fulfilment of the degree of M.Com in Accounting and Finance under the Bhairab Ganguly College is my original work and has not been submitted earlier to any other University/Institution for the fulfilment of the requirement of any course of study. I also declare that no chapter of this manuscript in whole or in part has been incorporated in this report from any earlier work done by others or by me. However, extracts of any literature which has been used for this report has been duly acknowledged providing details of such literature in the references.

Pinek Kumar Trinedi

## <u>Signature</u>

Name: VIVEK KUMAR TRIVEDI

Date: 1<sup>ST</sup> September, 2021

## **INTRODUCTION**

#### **BACKGROUND**

In this research, I have taken the task of jotting down the situation of Travel and Tourism department of India pre and during the covid time.

Travel and Tourism is the largest service industry in India. It provides heritage, cultural, medical, business and sports tourism. The main objective of this sector is to develop and promote tourism, maintain competitiveness of India as tourist destination and improve and expand existing tourism products to ensure employment generation and economic growth. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various central ministries/agencies, state governments, union territories and private sector representatives. Concerted efforts are being made to promote niche tourism products such as rural, cruise, medical and ecotourism. The Ministry of Tourism maintains the Incredible India campaign focused on promoting tourism in India.

The coronavirus (COVID-19), has affected people and businesses all over the world triggering a global economic crisis. The spread of the COVID-19 has caused an international health emergency because of its high risk and infection. The effect of the COVID-19 was strong that it immediately spread almost over 195 countries. Tourism industry is badly hit during the lockdown due to the restrictions imposed during the lockdown period. As the cases started to rise, the Government of India executed a complete lockdown in the country to regulate the spread of the pandemic. Travelling between the country was blocked by the countries due to pandemic. Travel & Tourism is considered to be one of the world's largest economic sectors as it creates jobs for many, generates revenue through exports, and generates prosperity all over the world. The travel and tourism aim to serve and support domestic and international business and leisure visitors. The travel industry, like airlines, hotels and restaurants, will shrink by 50% in 2020, creating a significant loss of jobs and revenue. According to the International Air Transport Association (IATA), Airlines worldwide are expected to lose a record of \$84 billion in 2020, more than three times the loss made during the Global Financial Crisis, most of the airlines are undergrounded. Hotels are closed due to a decreased

number of tourists and five-star hotels turning into quarantine facilitiesrestaurateurs see operating costs rising further because of social distancing, hygiene, and sanitation-related costs. Hence, it is a challenging task for the tourism industry to sustain during this crisis.

#### **HISTORY**

The history of tourism developed mainly through indirect sources in the early period. In India, in the early days of agricultural abundance, export of cash crops created an important trade link. Manufacture of iron-ore into steel for weaponry was another important item of trade by the later Vedic period. Tools and textiles were other renowned Indian products. Owing to the predominance of trade routes over – land crossing between Asia and Europe, trade tours were an important development in this period.

In the early days, pilgrimage or pilgrim travel assumed great importance. Ashoka the great, travelled a great deal in his eagerness to spread the doctrines of Buddha. Harsha was another great emperor who gently influenced by the Buddhist scriptures, built institutions and Dharamshalas for the travellers. Rest houses were built in towns and villages. A number of monasteries were also built for the pilgrims. This shows that travel facilities were much improved and travel was not a cumbersome experience.

Travelling for pleasure on the rivers and to the hills was a tradition started by the royal courts. However, such movement attracted all those who had business at the court to move with it from the heat and dust of the cities to the calm and serenity of the retreat. During the rule of the Mughals, the emperors travelled extensively and contributed towards resort development. Even today the remains of the past like the mile stones, sarais and a network of roads and paths that make all corners of this vast country accessible.

#### **OBJECTIVE OF THE STUDY**

The sole purpose of doing this project was to examine the situation of the Travel and Tourism industry of India pre and during the covid time. Hence, the important aspects of the project are listed below:

- To observe the department's condition before the pandemic period
- To show the contributions of different states in tourism of India
- To show various schemes/initiatives taken by the Government of India to promote domestic as well as international tourism
- To examine the contribution of different ministries of government prior to the onset of covid
- To understand the impact of covid on the industry
- To understand the different measures suggested by the Federation of Indian Chambers of Commerce and Industry

#### **BRIEF REVIEW OF LITERATURE**

<u>Dr. Vijayaragavan, T., "IMPACT OF TOURISM IN INDIAN ECONOMY",</u>
 <u>International Journal of Development Research Vol. 4, Issue, 12, pp. 2835-2839, December, 2014</u>

This paper coins how tourism sector is significant for Indian economy. Developing country like India tourism has become one of the major sectors of the economy, contributing to a large proportion to GDP and employment opportunities. Tourism is one of the fastest growing service industries in the country with great potentials for its further expansion and diversification. Tourism industry plays a major role in any country's economic development. It helps significantly to the country for creating the employment opportunities to the large number of people. Moreover, it is also one of the important engines to attract more foreign exchanges with its potential. This paper mentions the need to concentrate to have liberal policies, relaxation in taxes, comprehensive package and so on to influence tourist and foreign investment. There is also a need to increase the government's role to make India flourishing in tourism and established in the global market. India has rich source in tourism for the establishment of the brand. Of course, India has been launched the Incredible India to make tourism better.

## **CONCEPTUAL FRAMEWORK**

Tourism Industry is a major source of income for government and employment in many countries across the world. It acts as a generator for employment, income, tax collections and foreign exchange earnings. The tourism industry became highly competitive; and therefore, accurate tourism demand forecasting is important to make an appropriate strategic and operational decision. The WTO has researched and found that nearly 120 million tourism jobs could be lost during the pandemic, which has never happened before in the history. This could implore US \$1.2 trillion loss of income in the tourism industry due to 850 to 1.1 billion lesser tourist arrivals in 2020. On an average tourism industry contributes almost 4.4% of GDP in developed nations and it generates almost 7% direct jobs. In 2020, the Tourism Industry in India has faced a revenue loss to the extent of Rs 1.25 trillion due to the close of hotels, railway suspension, road and flight operations since the spread of the COVID-19 virus infection.

## PRESENTATION OF DATA ANALYSIS AND FINDINGS

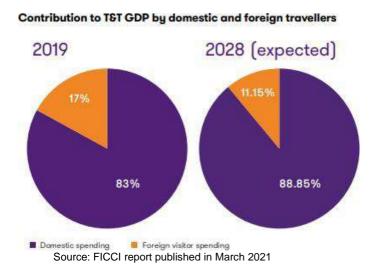
#### **PRE-COVID**

India, with its geographically and culturally vast landscape, attracts travellers for a multitude of reasons - from business to leisure. India is also home to 38 UNESCO World Heritage sites.

The government's efforts to focus on tourism is yielding results; India recorded over 10.8 million foreign tourist arrivals into the country in 2019, a 3.2% year-over-year growth, and accounted for approximately USD 29.9 billion in foreign exchange earnings. Growing at a rate higher than the global travel and tourism industry (3.5%), at 4.9%, India's travel and tourism industry contributed USD 194 billion to the Indian economy in 2019 which helped it gain 10th spot globally, in terms of contribution of the to the global industry GDP. The Indian travel and tourism industry was expected to witness an annual growth rate of 6.9% during 2019-2028 to reach USD 460 billion, approximately 9.9% of India's GDP in 2028.

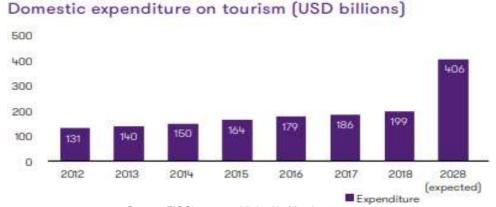
#### Increased domestic travel and spends

Domestic travellers drove the travel and tourism sector in India in 2019; domestic spend in the sector stood at 83%. This share was expected to reach 89% by 2028, driven by an increase in disposable incomes and more leisure time at hand.



The growth in spends on domestic tourism from USD 131 billion in 2012 to approximately USD 200 billion in 2018 was expected to double to approximately USD 406 billion by 2028, implying a CAGR of 7.3% between 2012 and 2028.

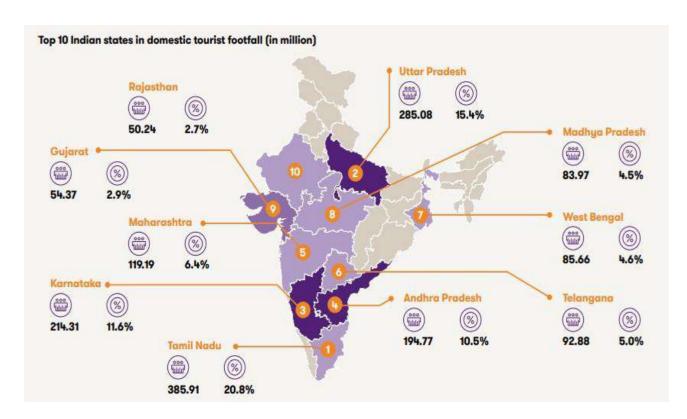
#### Growth in domestic expenditure

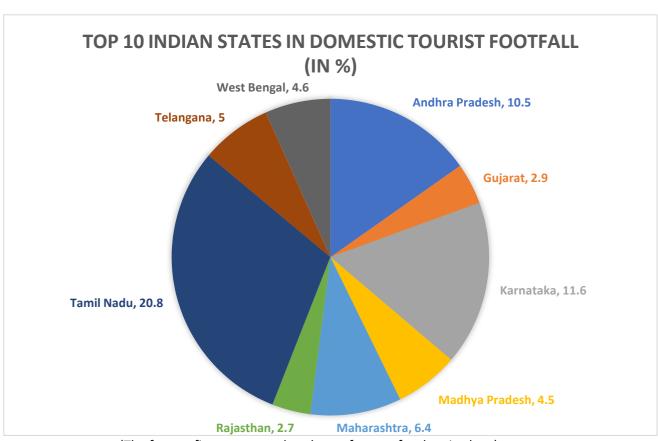


Source: FICCI report published in March 2021

#### India's top domestic travel destinations

The contribution of domestic travel to Indian travel and tourism sector has been unparalleled for the last two decades, growing almost nine-folds. In a bid to accelerate the growth momentum, the central government and various state governments have made consistent investments into various tourist hubs across the nation. In 2018, Tamil Nadu secured the pole position with the largest share of domestic travellers (386 million people) visiting the state accounting for 20.8% of total domestic travel. This was a year-over-year increase of 11.84% from 2017. Uttar Pradesh and Karnataka were next with approximately 285 million and 214 million visitors, respectively. Uttar Pradesh was the largest gainer year-over-year, growing total domestic visitors by over 21% as compared with 2017. Although Gujarat captured only 2.9% of the domestic tourist market, the state witnessed a huge increase of 12.5% over 2017, owing to the inauguration of the Statue of Unity in 2018 resulting in a revenue of USD 11.8 million. Andhra Pradesh gained a steady increase in domestic travellers too, accounting for approximately 18% in 2017. This increase can be attributed to religious tourism, better air connectivity and tourist facilities provided by the state government. The state also has many heritage sites, which attract not only international but domestic tourists too. While other states have increased their yearly domestic visit figures in double digits, states, such as Telangana, West Bengal, Madhya Pradesh and Rajasthan, showed single digit year-over-year growth of 9%, 7.5%, 7.6% and 9.4%, respectively.





#### Schemes by the Government of India to boost Travel and Tourism

#### 1. Incredible India

Incredible India (styled as Incredible India) is the name of an international tourism campaign maintained by the Government of India since 2002, to promote tourism in India. The "Incredible India" title was officially branded and promoted since 2002.

According to spending data released by Visa Asia Pacific in March 2006, India has emerged as the fastest growing market in the Asia-Pacific region in terms of international tourist spending. The data revealed that international tourists spent US\$372 million in India in the fourth quarter (October–December) of 2005, 25% more than in the fourth quarter of 2004. The tourist spending figures for India would have satisfied the Indian tourism ministry, which had been targeting the high-end market through its long running Incredible India communication campaign.



#### 2. Swadesh Darshan Scheme

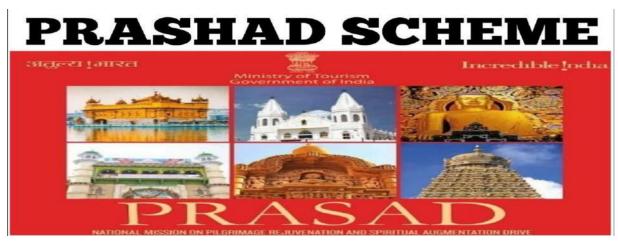
Swadesh Darshan Scheme (Hindi: स्वदे श दशन योजना) is a scheme of Ministry of Tourism under Government of India. The scheme aims to promote, develop and harness the potential of tourism in India. It was launched in the year 2015 by our prime minister Shri Narendra Modi. This is a central sector scheme; i.e.

- 100% funded by Central Government of India. Also, efforts are made to achieve convergence with other schemes of Central and State Governments. The funding available for Corporate Social Responsibility (CSR) initiatives of Central Public Sector Undertakings and Corporate Sector is also used in this scheme.



# 3. Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive (PRASHAD)

The 'National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive' (PRASHAD) was launched by the Ministry of Tourism in the year 2014-15 with the objective of integrated development of identified pilgrimage and heritage destinations. The scheme aimed at infrastructure development such as entry points (Road, Rail and Water Transport), last mile connectivity, basic tourism facilities like Information Centres, ATM/ Money exchange, eco-friendly modes of transport, area Lighting and illumination with renewable sources of energy, parking, drinking water, toilets etc.exchange, eco-friendly modes of transport, area Lighting and illumination with renewable sources of energy, parking, drinking water, toilets etc.



#### 4. Adopt a Heritage

This scheme was launched on World Tourism Day i.e., 27<sup>th</sup> September, 2017. This project is a key initiative of Ministry of Tourism in close collaboration with Ministry of Culture and Archaeological Survey of India (ASI), to develop the heritage sites/monuments making them tourist-friendly to enhance the tourism

potential and their cultural importance in a planned and phased manner. The project plans to entrust the heritage sites/monuments and other tourist sites to private sector companies, public sector companies and individuals for the development of tourist amenities. Adopt a Heritage project is meant to address the challenges that the Archaeological Survey of India and other government bodies are facing in operating tourism infrastructure at heritage sites.



# ROLE OF INDIAN GOVERNMENT MINISTRIES FOR BOOSTING THE SECTOR (PRE-COVID-19)

The government has been consistently providing support to the travel and tourism industry. The Ministry of Tourism formulates all national policies and programmes to aid and promote tourism in the country. In the last five years, the Ministry of Tourism has undertaken several initiatives to boost the sector. Other ministries, such as Ministry of Civil Aviation, Ministry of Railways, Ministry of Road Transport, work alongside the Ministry of Tourism.

Key initiatives to enable the sector's growth by Government of India's Ministries include:

## **Ministry of Tourism**

- E-Visa extended to 169 countries
- Incredible India 2.0 campaign focusing on niche tourism in order to promote

- Dekho Apna Desh campaign to incentivise frequent domestic travel within one year
- 100% FDI under automatic route for travel and tourism-related activities, including hotel construction projects
- USD 983 million sanctioned for PRASHAD and Swadesh Darshan schemes
- Key focus on promoting North Eastern states as well as Jammu and Kashmir in the National Tourism Policy
- Generating adequate manpower and developing necessary skills by providing training and professional education at institutes across the country
- Toll-free, 24x7 helpline for tourists in 12 languages

#### **Ministry of Civil Aviation**

- Regional connectivity scheme UDAN (Ude Desh Ka Aam Nagrik) to make flights available at affordable prices through concessions by central and state governments as well as airport operators to improve connectivity. 8 out of 46 proposed routes have been operationalised
- Encouraging the use of water aerodromes and helicopters in tourism
- Nabh Nirman: Construction of 19 green-field airports with an investment of over USD 14.3 billion over the next 5 years
- Launch of AirSewa to address customer grievances and disseminate realtime data to enhance travel experience

## **Ministry of Railways**

- 100% FDI in railways infrastructure
- Railway operations made more environmental-friendly with adoption of cleaner technology and afforestation of vacant railway land
- National Rail and Transport Institute to improve the quality of training of railway employees
- Indian Railway Catering and Tourism Corporation (IRCTC) offering specialised train tours catering to various types of travellers

 Agreement between Indian railways and UNESCO to connect all eight state capitals in the North East with countries like Bhutan, Myanmar, Bangladesh and Nepal

#### **Ministry of Shipping**

- E-visa facilities at Mumbai, Mormugao, Mangalore, Kochi and Chennai ports have been set-up to ease immigration
- Biometric requirements have been waived off for cruise passengers arriving at the aforementioned five ports with e-visa
- Action plan drafted for development of cruise tourism in India
- Development of 78 lighthouses under PPE
- Modernisation of Indian ports under the Sagarmala project
- Development of river cruise circuits

#### **Ministry of Road Transport and Highways**

- 100% FDI in road and highways sector allowed under automatic route
- Launch of Bharatmala Pariyojna to optimise efficiency of freight and passenger movement and improve the quality of 34,800 kms of road, with focus on improving connectivity in the North East
- Development of wayside amenities to provide travel comfort to highway users

## **Ministry of Culture**

- Launched 'Adopt a Heritage' project to engage public and private sector companies as well as individuals to create and maintain state-of-the-art facilities at various heritage sites and monuments
- 100 monuments protected by the Archaeological Survey of India are being developed and maintained under the Adarsh Samarak scheme with the objective of improving tourist experience, especially for the physically challenged

#### **Ministry of Environment, Forest and Climate Change**

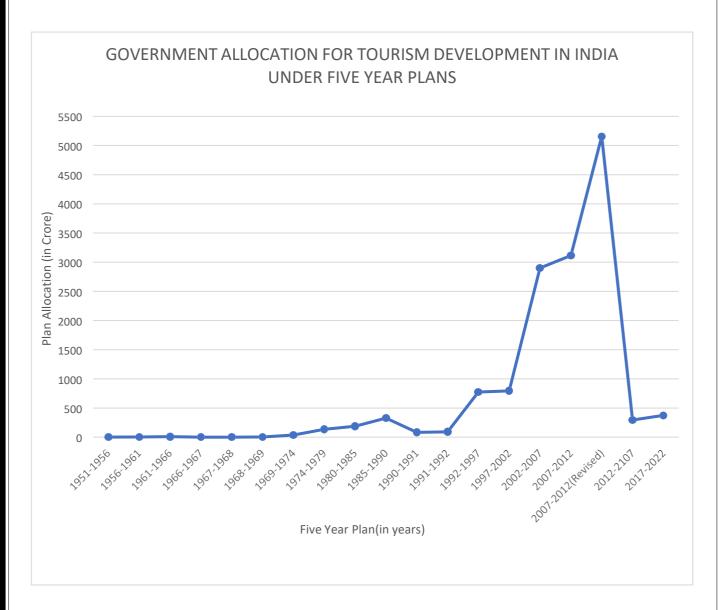
- Collaborated with the Ministry of Tourism to develop policy on niche tourism such as ecotourism and wildlife tourism
- Launch of the National Mission for Green India (GIM) to increase forest cover, density and conserve biodiversity

#### **GOVERNMENT ALLOCATION FOR TOURISM DEVELOPMENT IN INDIA UNDER FIVE YEAR PLANS**

Five Year Plan	Time Period	Plan Allocation (in Rs.
1 <sup>st</sup>	1951-1956	0
2 <sup>nd</sup>	1956-1961	3.37
3 <sup>rd</sup>	1961-1966	8
	1966-1967*	0.59
	1967-1968*	0.88
	1968-1969*	1.84
4 <sup>th</sup>	1969-1974	36
5 <sup>th</sup>	1974-1979	133
6 <sup>th</sup>	1980-1985	187.46
7 <sup>th</sup>	1985-1990	326.16
	1990-1991	83
	1991-1992	90
8 <sup>th</sup>	1992-1997	773.62
9 <sup>th</sup>	1997-2002	793.75
10 <sup>th</sup>	2002-2007**	2900
11 <sup>th</sup>	2007- 2012***	3112.71
	Revised****	5156
12 <sup>th</sup>	2012-2017	293
13 <sup>th</sup>	2017-2022	372.37

Source: Five Year Plans, Government of India; \*Indian Tourism: Economic Planning & Statistics; \*\*Annual Report, 2002-2003, Department of Tourism, Government of India; \*\*\*Annual Report, 2011- 2012,

Department of Tourism, Government of India; \*\*\*\*Report of the Working Group on Tourism, 12th Five Year Plan (2012-2017), Ministry of Tourism, Government of India. The value of the 13<sup>th</sup> Fiver Year Plan is taken from the internet.



Source: FYP of Economic Planning Above Table

# IMPACT OF COVID-19 PANDEMIC ON THE TRAVEL AND TOURISM INDUSTRY

COVID-19 has disrupted international travel trade and supply chains in an unprecedented way. Several countries have suspended tourist and business visas and banned both domestic and international air travel, bringing economies to a screeching halt. The International Monetary Fund predicts a shrinkage of the global economy by 3% during 2020 due to the novel coronavirus. With many economies yet to hit their infection apexes, experts predict economies around the world to shrink in the first quarter of 2020, with ripple effects expected to be felt in the following months. The travel and tourism sector is the worst hit. Of all the segments of the hospitality sector, the Meetings, Incentives, Conferences and Exhibitions - popularly known as MICE segment - has been hit the most with major international business events cancelled including Mobile World Congress (MWC), Google I/O, and Facebook's F8 event, leading to huge economic losses.

The pandemic is estimated to have a debilitating impact on the Indian travel and tourism sector, which includes hotels, travel agencies, tour operators, destinations, family entertainment venues, restaurants and air, land and sea transportation, amongst others. Overall, losses are estimated to total up to USD 16.7 billion. Being a large employment generator for the country, 40-50 million jobs will be at risk in 2020, both directly and indirectly employed in the industry. The Ministry of Tourism has constituted a National Tourism Taskforce, to be headed by the Minister of State (I/C) for Tourism to meet the challenges posed by COVID-19 and will include state tourism ministers, joint secretary level officers of the concerned central ministries, and representatives from associations, such as FICCI, CII, ASSOCHAM and WTCII, as well as heads of tourism and hospitality associations. With large scale cancellation of travel plans by both foreign and domestic tourists, there has been a drop in both inbound and outbound tourism of approximately 67% and 52% respectively from January to February as compared with the same period last year. The aviation sector, which contributes 2.4% of Indian GDP, is among the worst affected sectors due to COVID-19. The spread of the pandemic across the country, in the last two months, has led to a 47% decline in the passenger traffic. Following the lockdown in March, airlines have been incurring parking charges as nearly 650 planes of Indian carriers are now grounded. These

airlines are liable to pay a lump sum amount of INR 6 million of parking and housing charges. Airlines are also refraining from increasing prices for the summer season. According to the Centre of Aviation (CAPA), the Indian aviation industry could bear losses up to USD 3.6 billion during April-June 2020 alone.

The travel ban has largely impacted tour operators and travel agencies as the restrictions have not only affected current bookings, but future bookings too. With March and April being peak season for Indian travellers heading to both domestic and international destinations, nearly 90% bookings of hotel and flights have been cancelled for the same period. Among these cancellations are cruise bookings for destinations such as Thailand, Singapore and Malaysia. According to the Indian Association of Tour Operators (IATO), the hotel, aviation and travel sector together may incur losses of about INR 8,500 crore due to travel restrictions imposed on foreign tourists by India which further puts at risk the survival of smaller to medium sized organisations including the jobs of several thousand, if not lakhs of individuals. For tour operators and travel agents across the length and breadth of the country, average losses in revenues compared with the same period last year have been in the range of 50-80%. India has a total of 3961 centrally protected sites either under UNESCO as a world heritage site or the Archaeological Survey of India (ASI). Monuments, such as the Taj Mahal and Agra Fort in Agra and Qutub Minar in New Delhi, are the highest revenue earners grossing annually INR 77 crore, INR 34 crore and INR 26 crore, respectively. The livelihoods of approximately 1.75 lakh daily earners, including tour guides, rickshaw pullers, photographers, etc., have been affected in Agra alone. Tour guides with licenses from the government are not allowed to take up alternative jobs, adding to their challenges. Various pilgrimage sites, including large temples across the country, have been closed in the wake of the pandemic. Tirumala Venkateswara Temple, the richest Hindu temple has incurred losses of nearly INR 125-130 crore so far. Other temples in Tamil Nadu have also incurred losses due to the lack of daily offerings. Closure of pilgrimages has also had cascading effects on hotels, homestays, businesses of travel agents as well as floriculturists. Negative impact on the Indian Railways has also been witnessed ever since the nationwide seizure of rail services across the country. The Indian Railways facilitate the movement of goods as well as passengers. The Indian Railways is expected to witness losses amounting to INR 17 billion due to COVID-19; almost 13,000 passenger trains have come to a standstill.

## **TOURIST INFLOW IN INDIA**

After the onset of the coronavirus outbreak, the foreign tourist inflow to India started declining. A brief scenario and comparison between the tourist's arrival in 2019 and 2022 are illustrated below.

# DOMESTIC TOURIST ARRIVAL (DTV) AND FOREIGN TOURIST VISTIS (FTV) DURING 2020 & 2021

			2020		2021	GROWTH	RATE
S.	STATES/UNION	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN	DTV (%)	FTV (%)
No.	TERRITORIES					2020/2019	2020/2019
1	Andaman & Nicobar Islands	505398	16206	191207	5412	-62.17	-66.60
2	Andhra Pradesh	237051508	280356	70828590	67591	-70.12	-75.89
3	Arunachal Pradesh	555639	7825	42871	961	-92.28	-87.72
4	Assam	5447805	26878	1266898	7285	-76.74	-72.90
5	Bihar	33990038	1093141	5638024	308080	-83.41	-71.82
6	Chandigarh	1563795	44132	417953	12218	-73.27	-72.31
7	Chhattisgarh	17304506	6817	2810227	2322	-83.76	-65.94
8	Dadra and Nagar Haveli	618330	1666	104959	222	-83.03	-86.67
9	Daman and Diu	897804	5703	297436	1382	-66.87	-75.77
10	Delhi	36467598	2983436	9583671	681230	-73.7	-77.20
11	Goa	7127287	937113	3258715	302751	-54.28	-67.69
12	Gujarat	58864661	595607	19464517	210047	-66.93	-64.73
13	Haryana	4549017	48046	2114731	17474	-53.51	-63.63
14	Himachal Pradesh	16829231	382876	3170714	42665	-81.18	-88.86
15	Jharkhand	35580768	176043	2574704	490	-92.76	-99.72
16	J&K	16163330	57920	2519524	5317	-84.41	-90.82
17	Karnataka	227934714	608754	77453339	165325	-66.02	-72.84
18	Kerala	18384233	1189771	4988972	340755	-72.86	-71.36
19	Lakshadweep	6985	820	3462	413	-50.44	-49.63
20	Ladakh	241285	38652	6743	1126	-97.21	-97.09
21	Madhya Pradesh	88707139	327958	23519632	99819	-73.49	-69.56
22	Maharashtra	149294703	5528704	39234591	1262409	-73.70	-77.20
23	Manipur	167560	13608	49669	3139	-70.36	-76.93
24	Meghalaya	1245633	25813	24734	2311	-98.01	-91.05
25	Mizoram	163762	2249	30890	265	-81.14	-88.22
26	Nagaland	125949	5577	10979	518	-91.28	-90.71
27	Odisha	15307637	115128	4622273	10206	-69.80	-91.14
28	Puducherry	1713248	149919	1114942	92080	-34.92	-38.58
29	Punjab	47385387	1101343	16692197	359114	-64.77	-67.39
30	Rajasthan	52220431	1605560	15117239	446457	-71.05	-72.19

31	Sikkim	1421823	133388	316408	19935	-77.75	-85.05
32	Tamil Nadu	494865257	6866327	140651241	1228323	-71.58	-82.11
33	Telangana	83035894	323326	39997001	46694	-51.83	-85.56
34	Tripura	437201	154405	127815	31877	-70.77	-79.35
35	Uttar Pradesh	535855162	4745181	86122293	890932	-83.93	-81.22
36	Uttarakhand	37585920	152273	7005264	41339	-81.36	-72.85
37	West Bengal	92366025	1656145	28841732	463285	-68.77	-72.03
	TOTAL	2321982663	31408666	610216157	7171769	-73.7	-77.2

#### **ABOUT FICCI**

Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialisation, and its emergence as one of the most rapidly growing global economies. A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

# RELIEF MEASURES AND RECOMMENDATIONS BY FICCI TO THE GOVERNMENT OF INDIA

With coronavirus impacting the Indian economy, the travel and tourism industry is looking at up to 50 million jobs at risk. For the industry to tide over this crisis, several relief measures have been recommended to the Government of India by FICCI.

There is an urgent need to take immediate steps to not only contain the spread of the virus but also to address the key pain areas of the industry to minimise the impact of the outbreak on the Indian economy and businesses. A combination of monetary, fiscal and financial market measures is needed to help the businesses and people cope with the crisis. Therefore, to be able to frame correct actions and policy measures, it is important to understand clearly the specific problems that people and businesses are currently facing. This alone can enable the government to take appropriate measures.

# Measures recommended for the survival and revival of the travel and tourism sector

- While a six-month moratorium has been granted to the industry, a minimum 12-month moratorium period is needed on all working capital, principal, interest payments, loans and overdrafts. Collateral and interest-free loans for five years for SMEs in the sector to help them sustain and rebuild
- A 12-month waiver of all statutory dues with respect to license fees, property tax and excise fees
- Defer GST and advance tax payments at the Central Government level and removal of fees for any upcoming licenses, permits and their renewal
- Bailout packages to fund and support salaries in the sector
- Export status for foreign exchange earnings for inbound tours and hotels
- A 12-month deferment in the increase of insurance premium related to standard fire and special perils rate for fire, loss of profits
- SGST to be waived off till the situation becomes normal
- Tax rebates by the government for encouraging spending on domestic holidays (for example, LTA) and GST relief and other incentives for corporates to organise meetings, incentives, conferences and exhibitions (MICE) within the country.

## **Regulatory measures**

- Permit one-time rescheduling of principal/interest dues in line with the estimated cash flows of each project post recovery from COVID-19 without treating it as restructuring, re-classification/downgrading in asset qualification and requirement of additional provisioning
- Permit sanctioning of additional facilities in the form of working capital term loan for meeting cash flow mismatches during the period affected by COVID-19. The tenure of such facility shall be assessed based on the individual project cash flows. Such additional facilities to be treated as standard assets
- In case of projects under implementation, the banks/ institutions/NBFCs be permitted to extend the Date of Commencement of Commercial Operations (DCCO) by one year without treating it as restructuring as it would be difficult for promoters to raise funds from other business/ services for project completion.
- Lending to tourism sector to be treated as 'priority sector lending' at least for next one year which will enable access to bank finance
- Amendments to Master Direction -Reserve Bank of India (Relief Measures by banks in areas affected by Natural Calamities) 2018-SCBs to include:
- COVID-19 in the definition of natural calamity and permit use of this circular for tourism sector
- Enabling NBFCs to use this circular (presently only applicable to banks)
- Removing additional provisioning requirement for the restructured portion of loans under this scheme

#### **Policy measures**

- Stimulus package to be formed to stabilise and support the sector in the nearterm, including a workforce support fund to ensure that there are no job losses
- Waiver of all statutory dues such as advance tax, custom duties, excise duties, etc. at central and state level for 12 months

- Provision of a 12-month corporate tax holiday to travel, tourism and hospitality sector and deferment of payment of all statutory dues, such as custom duties, excise duties, PF and bank charges, at central and state level for 12 months
- Extension of annual renewal of licenses paid for in 2020 until the end of 2021 without any incremental fee or charges
- Advise credit rating agencies to maintain last-assigned ratings over the next six to nine months due to the expected volatility of the business in the short- to medium-term
- Extension of subsidies on Heat-Light-Power (HLP) costs, as HLP is among the largest fixed cost for the sector
- Waiver/reduction of GST on products offered by the sector for one-year period
- Provision of soft loans/interest subventions/cash
- Incentive/interest subsidies to ensure continuity in business operations
- RBI should re-look at the Foreign Exchange and Management Act with respect to Indian travel companies such that they may be able to source and service customers who are not based in India for services in third-party countries. This may allow forex remittance into India to increase, as margins will reside here, and allow Indian companies to expand to a bigger base

## Relief measures requested for the aviation sector

- Immediate direct cash support to Indian carriers for them to meet their fixed costs at least for the period where loss of revenues and liquidity is directly attributable to the Government's directive to cease operation without any reference to the airlines' cash reserves
- Minimum 20% contribution towards the total salary bill of employees with a gross salary of INR 30,000 or less per month, currently employed in airlines carrying out maintenance and repair work
- 100% waiver of parking and housing charges for the duration of COVID-19 for a minimum of 6 months
- Minimum six-month deferment of EMI on term loans
- Provide complete tax waiver, not deferment, for two years

- Soft term loans with 0% interest to meet fixed expenses (salary, wages, utility, maintenance etc), equivalent to 12 months requirement, repayable with a minimum moratorium time.
- Request for AAI to release Bank Guarantees from all RCS UDAN operators.
   The amount can ensure cash flow for 2 months
- Provide a 12-month moratorium for payments by airlines, MROs and other agencies to hanger or factory premises. The deferred amount may be recovered over a period of 24 months, after 12 months, without any interest on overdues
- Recommendation to consider deferment of payment of GST for the airline industry as airline GST refunds are higher than the GST due.

#### Relief measures requested for tour operators

- Restoration of Service Exports from India Scheme (SEIS) scrips for duty credit of 10% to the tourism industry.
- Extension of Services Export Promotion Council (SEPC) membership to 31st march 2021
- Finalisation of an aggressive Incredible India marketing plan during lockdown and implementation on opening to drive domestic travel in India
- Approval of completed forms by Directorate General of Foreign Trade within 30 days to utilise the cash flow to pay salaries and expenses
- No landing fees for Goa, i.e., charters land for free to encourage flights to come back
- Same ticket prices for foreigners and Indians for entry to historical monuments

#### Relief measures requested for online travel agents

• Short-term, interest-free or low interest loans for rebuilding businesses and immediate transmission to all independent travel agents, tour operators and online businesses in the form of term loans and working capital loans. Besides, existing overdraft limits can be doubled for the industry and immediate cash relief to be provided to avoid mass layoffs

- For the revival of travel agencies, a GST holiday for tour packages and all reservation services rendered by travel agents in line with the tax holiday requested for civil aviation and hospitality sectors
- Tax Collected at Source (TCS) exemption for online travel aggregators (OTA) in line with the GST holiday. OTAs are liable to collect TCS at 1% under GST while remitting payments to airlines and hotels. Estimated TCS liability for the entire OTA sector would be INR 460 crore
- Union Budget 2020 proposed a new TDS levy similar to TCS under the GST law, whereby OTAs are required to withhold 1-5% TDS while remitting payments to airlines, hotels etc. Considering how the industry is heading towards a loss year, the proposed provision should be rolled back
- The proposed TCS on sale of overseas packages in the Finance Bill 2020 can harm the tourism business in India. The proposed TCS will not only increase the cost of packages sold by Indian tour operators, it will also shift all sales of outbound tourism to overseas suppliers, denying the government of all Income tax and GST revenues. Therefore, in order to allow domestic tour operators a level playing field and a chance to revive their businesses, it is recommended that proposed TCS should be rolled back
- Payments of other statutory liabilities by travels agencies which should be deferred are:
- TDS under income tax including salary TDS: INR 1,570 crore
- PF and ESI deposit including employee contribution: INR 446 crore

## Relief measures requested for travel agents

- Support fund majorly for salaries and establishment costs through the following:
- Government to contribute 33.33% of take-home salaries to all employees of registered travel agencies.
- Government to use funds of ESIC to pay salaries of employees covered under the scheme.
- No deduction of TDS on salaries for employees of the trade till March 2021

- Subsidise electricity by 33.33% to give relief to 53,000+ travel agents, more than 1.3 lakhs tour operators (domestic, inbound, adventure, cruise and outbound), more than 2,700 MICE organisers and 19 lakhs plus tourist transporters
- PF contribution to be waived off for all categories of employees for the next
   12 months
- Employees to be allowed to withdraw a fixed sum of INR 10,000 for up to six months from their EPF accounts
- ESI contribution to be deferred for 12 months. The insurance corpus of ESI needs to be used now to provide wages to all organised workers for all accumulated days from non-availability of work and the act needs to be amended immediately
- Professional tax to be waived for all companies as well as employees up to March 2021
- Refunds of cancellations and advances of travel agents and tour operators from AIRLINES/IATA: MOT and MOCA immediately advises them to refund. Advances/float accounts also to be refunded in full immediately as they are of money in float/advances for not issued tickets
- Billing period for IATA carriers to be extended to 15 days. MOCA should underwrite these payments to travel agents & tour operators which will be securitised against these receivables from IATA and low-cost carriers/non-IATA airline
- Complete GST and income tax holiday for tourism, travel and hospitality industry for period of twelve months:
- IT Holiday effective FY2019-20
- Reseller model for air travel agents to be permitted for corporates/customers with GST number with the agents directly on payment basis since airlines don't pay on payment/receipt basis and credit GST only on flown basis
- Unlock inter-head credit of GST across IGST, CGST, SGST for tour operators. Permanently allow tour operators to claim IGST for hotel reservations/other services interstate basis as input credit to claim ITC
- Roll back of TCS introduced in Budget 2020 by the finance minister

 LTA like tax benefit for Indians for two times a year for domestic and international travel. This will stimulate domestic travel by Indians

## Relief measures requested for hotels

- GST rates on companies in hospitality should be slashed for at least two to three years. Currently, large hotels are charged a GST rate between 12-18% based on room rate. Now that hotels are almost empty, the GST rate should be brought down to 5-6% with immediate effect
- 500 units of electricity per month and water to be provided free of charge to companies in the sector. Thereafter, subsidised rates can apply on actual consumption and not against fixed load
- Export Promotion Capital Goods (EPCG) scheme to consider grant of extension in export obligation fulfilment period by an additional three years (beyond current limit of six years) for all the licenses expiring during current and within this and the next financial year, without attracting any penalty or interest
- Special package for the survival of heritage hotels
- The CSR initiatives for hotels, aviation, travel, tourism entities should be extended to Swatch Bharat, which in the case of tourism industry, should include monuments, tourist sites, and other facilities

## Relief measures requested for amusement parks

- Employee State Insurance Corporation to pay the entire wages of the employees of units covered under ESI for the lockdown period. ESI is justified in meeting this commitment of employees as COVID-19 is a medical disaster
- Waiver on custom duties on import of spare parts to bring down the repair and maintenance cost
   Reduction of effective rate of interest on loans from financial institutions by 200 basis points in effective interest rate being charged by financial institutions on term loans, working facilities and other facilities with immediate full transmission for working capital. This will reduce the burden on cash outflow

- Support fund for 12 months on the lines of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) to support basic salaries with direct transfers to affected employees in the amusement park industry
- Provision of water and electricity to the amusement park industry for 6 months on concessional and subsidised rates
- Wavier of minimum/fixed cost charges levied by electricity department (as exempted for industries by the state of Maharashtra, Gujarat, Uttar Pradesh, and Punjab
- Waive off property tax/non-agriculture tax/gram panchayat tax of amusement park/water park/theme park as it is developed across huge land parcels for a period of 12 months
- Lower rate of income tax and early settlement of income tax refunds to enhance cash inflow and to reduce cash outflow
- Extend all existing licenses without charges for one year
- To make the entry prices economical to attract patrons, complete holiday for 12 months (central and state level)

## Relief measures requested for the ground transport industry

#### Assistance to tourist bus owners/ operators

- The business of the tourist bus services is severely affected due to COVID 19. The bus owners should be supported by the government monetarily, to ensure their survival. Additionally, the opportunity of increasing inter-state pilgrimage tourism is large at this point where new routes and circuits can be encouraged
- The government should also look to host the inventory of state transport buses in addition to privately owned and operated bus tours on a digital booking and payment platform to increase accessibility as well as reduce crowding at ticket windows at bus stations

## Assistance to taxi service providers

As of 2020, there are 1.6 million registered cabs/tourists' cars in India. Of the 1.6 million cabs, 1.3 million are driver owned that have a huge lump-sum to repay via EMI for cars, carrying a cumulative debt burden of around INR 80,000

crores. COVID-19 is going to discourage development of the car model in India, given the liquidity crunch. Government needs to support the cab companies, who run and market these cars to ensure their retention as well as to promote domestic fixed circuits.

#### -Allow flexibility in commercial/taxi registration permit conditions

Registrations are currently categorized into local point to point movement/ inter-city travel/self-drive rentals. The government should allow for flexibility such that the owner of the vehicle has the option of servicing different use cases, rather than the permit it holds. It will help in his being able to earn a living and fulfil their commitments to the bank in terms of the EMI.

#### -Allow private cars to be rented on self-drive basis

Owners of private cars can earn their living and supplement the cost of owning a private car through renting them on self-drive basis. This may require taking appropriate insurance cover but can help in the development of self-driving in India.

## **Opportunities For Growth in the Sector**

Promote niche travel products under the Incredible India 2.0 campaign

- Yoga and Ayurveda Promote wellness tourism as a key unique selling product which will gain a lot of attraction in the near future
- Religious circuits Religious circuits is a highly unorganised travel market. A complete relook is required to formalise these offerings into circuits for all faiths. Even the NRI market can be tapped for this product, if institutionalised well. Government needs to play a unification role with state, private players, travel operators and other identified points of sale, including fin-tech companies. A feasibility study should be conducted to connect the religious sites by modes of transport such as aerial ropeway and trollies. Rail, bus, and IRCTC need to all work in cohesion for the circuits to be a success
- Culinary tourism It is a great opportunity to explore variety of cuisines in the country. Focus on creating culinary circuits and trails and promote it extensively through digital campaigns. Promote local food by partnering with online restaurant aggregators for showcasing dining in experiences of cafes/restaurants

- **Self-drive holidays** Self-drive holidays, including hiring of self-driven cars need a complete re-look in the Indian market. Currently, only 10,000 self-driven commercial vehicles are registered in 30 cities across India. The base should be expanded to include a larger number of railways, airports and city gate ways. This will attract younger population who could combine their air/rail travel with self-driven cars. The self-driven cars should have an in-built application for navigation and facilities for the traveller/driver
- Caravan tourism It should be promoted for road trip holidays as it will give a unique experience to visit many destinations while limiting contact with others. Government should come up with caravan circuits and identified camping spots. These camping spots should have the infrastructure for waste management and other basic services such as water and food. Petrol pumps on the highways can also expand their services for caravans to provide waste management and other basic services including cooking fuel. They can also provide parking space on a chargeable basis for overnight halts with CCTV for additional security.
- Film industry Government must encourage film makers to shoot at Indian locales in order to showcase India further to both domestic and foreign markets and subsequently create demand. India should have a single window clearance for all shoots to reduce delay and uncertainties. India should also provide a cash rebate to reduce cost of shootings as movie shoots are a medium to increase footfalls across the country.

## **Promote the corporate travel segment**

Online travel companies and travel management companies in India must develop technology platforms to aid and develop the corporate hotel segment. This would ensure bookings and payments are made from India thus allowing revenues to sit in India rather than overseas as currently payments are made either by overseas associates or out of the per diem foreign exchange allowance for the traveller.

Current trends and patterns indicate bookings and payments are made by the traveller overseas, which can be brought in-house by the companies. Not only will it increase their penetration but will also contribute to government through GST collections.

#### Create a more conducive business environment

The government should re-visit their regulations, taxation and other norms to increase ease of doing business in India. Organisations are choosing to register their companies abroad citing stable regulations, subsidised tax rates and increased global investor interest as reasons. The Indian government should look at adopting foreign best-practices to ensure maximum Indian companies register in the country. With a foot in the door through large Indian technology firms already servicing global customers, this can be extended to the travel and tourism sector also.

#### **Assistance to accommodation providers**

Develop public-private-partnerships (PPP) for rating of hotels and other accommodation facilities to increase efficiency of said ratings spanning the entire nation using international benchmarking criterion recognised by domestic and foreign travellers alike. Current rating standards are inefficient and biased to a large extent and due to the COVID-19 outbreak due importance will need to be given to health and safety ratings as travellers will be more aware and finicky about where they stay while on holiday.

## **Development of digital content**

Digital content must be made available to potential travellers. This includes content about the destination, activities, experiences, dinning, hotels, mode of travel etc. Currently, digital content is difficult to find, and held by foreign private companies like Lonely Planet which increases the cost.

Digital content should be holistically facilitated by the government in a PPP model uniformly and made accessible to tourists as well as domestic and inbound tour operators. Digital content needs to come in an integrated manner through API/ web services so that tour operators, OTA, can use it for their customers in a holistic manner. The content is recommended to be in English as well as Hindi, Gujarati, Tamil, Telugu and Bengali to cater to all kind of travellers. The key focus should be on making India become an "Internet bookable" destination by fostering investments in this direction.

## Investment in emerging technology and local skill development

- Artificial intelligence and machine learning Study possible uses of emerging technologies, such as artificial intelligence, machine learning and virtual reality, in the travel and tourism sector in handling queries, providing more information to potential travellers, as well as saving business costs. Making the same available via PPP arrangements to the larger market rather than the handful who can afford it. Institutes under the Ministry of Tourism should add AI to the syllabus not only to educate students and professionals alike on the subject but to aid innovation. Private tour operators should be guided by the government and educated about the role artificial intelligence can play
- **Big data** Government of India should invest in utilising Big Data via PPP arrangement as a means of identifying India's unique proposition across various points in a customer journey. This would include the study of all possible touchpoints from booking at source to airline/GDS bookings, hotels, car rental services and many others to increase customer experience, allowing entities within the sector to do the necessary value add to attract more travellers.

## **Guidance for companies in the travel and tourism sector**

#### **Airlines**

- Stricter audit of compliance to rules, regulations and SOPs for operation, maintenance and other related activities to ensure safety of passengers and crew post lockdown.
- Temperature screening of passengers and crew, regular sanitisation and fumigation of terminals and disinfection of airplanes should be implemented
- Food vendors for airlines should follow extremely high quality and hygiene standards. If possible, on-board meals can be discontinued on short haul flights for the duration of a few months
- Hand sanitisers should be readily available on all aircrafts, and one or more universal precaution kits should be provided to protect the crew
- Passengers boarding and de-boarding the aircraft should be made to sanitise thoroughly, with temperature checks being conducted at both times

- Airlines should start operations by determining the optimal size of their networks and fleet and which routes to start first, based on demand
- Airlines can consider M&A opportunities including divestitures or the sale and purchase of minority equity stakes
- Instead of firing staff, airlines can reduce payroll profits for top level executives
- Instead of reducing the crew fleet size, the duration of flight hours worked per member can be reduced and distributed to a larger number of the workforce
- A project management team should be created to manage cash until operations start returning to pre-crisis levels. Airlines should also focus on a digital and data-driven approach

Tour operators and travel agents

- Creating holidays with farmers and rural India. A positive push is required to co-create holidays with farmers and rural India, which will help in wealth creation and distribution
- Come up with standardised guidelines for tour operators, on ground service providers, monuments etc. and work on a health certification model with frequent checks
- Operators should re-look at monuments and associated infrastructure such as toilets, steps, slopes to see how they can be made user friendly, especially for the differently abled, have railings for the elderly, etc.
- There would need to be a continuous monitoring of assets and properties through an app, so that the tourists have a proof of safety and hygiene before they enter a property
- They need to focus on all touch points such as transfer cars, luggage, laundry etc. and work on creating a contactless experience

#### **Hotels**

#### Recognise essential workers

Companies are recommended to offer special packages to healthcare workers and other essential workers. These packages can be in the form of free or lower cost hotel membership offerings. Some hotels are already providing complimentary rooms and giving their highest tier of membership to these

workers. Hotels can also consider donating food from the hotel restaurants to local hospitals.

## Invest in hygiene and communicate with clients

Hotels need to revise their room cleaning protocols. They need to review how medical assistance facilities can be created/improved to assist travellers. Create a new standard operating process of safety and hygiene to maintain cleanliness in the hotel and train the staff to follow it. Identify all possible touchpoints and invest in contactless technologies to ensure that all these touchpoints are automated and interaction with hotel staff is minimised.

#### Encourage future bookings

Companies are suggested to encourage future and potential customers to consider booking travel packages/ hotel bookings in advance at a reduced rate.

Companies could consider providing a discount on future bookings redeemable up to December 2022.

For e.g., a hotel can offer to provide a 10-day holiday package for 60% of its original sale price. They can offer it as a coupon which can be redeemed by the buyer any time before December 2022.

#### Flexibility instead of refund

Companies can offer to allow the customer to change their dates of bookings without any cost. Companies could also consider providing a reduced price if a customer chooses to re-book instead of cancelling their bookings.

#### Gift cards/vouchers

Companies can consider providing a gift card or a voucher with a benefit which can be used by consumers later.

### Promote skill development for employees

Companies should focus on upskilling the staff to prepare them for the revival stage. Companies should support the employees by helping them develop new skills for the recovery and growth phase post COVID 19. Companies can also liaise with educational institutes to develop online training courses for your staff.

#### Loan staff arrangement

For staff less than a certain salary threshold (cleaning staff, maintenance etc.) companies could consider discussing feasibility of loan staff arrangement for the next three months with firms who are in the essential services industry. This could help companies in getting short term reprieve on salary cost, while beefing up personnel in essential services.

#### Vendor management

After assessing the supplier capability and categorising all operating supplies including perishables in order of importance, the procurement team must ensure proper stock piling.

#### Power and equipment

Before starting any equipment, a thorough service plan should be made to ensure that all equipment is fully functional and safe. Hotels can also shut down floors with no occupancy, thus helping them save majorly on-air conditioning costs as well as other operational costs.

#### Continuously contact your client base

Maintain contact with clients through digital marketing campaigns across channels and platforms. Hotels should also try and honour all client reservations and bookings that were cancelled or deferred due to the crisis. The hotels should leverage the opportunity to market the right products through promotional campaigns to cater to the domestic market.

### Lodges

### Compliances

Lodges need to ensure that they are meeting all revised government and brand norms. They should also continue to follow the health and cleanliness guidelines and reassure guests and employees by intensifying routine maintenance and increasing deep cleaning measures.

### • Investment in contactless technologies

Lodges should accelerate investments in "no touch" technologies such as eye scanners gesture controls and automation to personalise digital interactions while enabling social distancing.

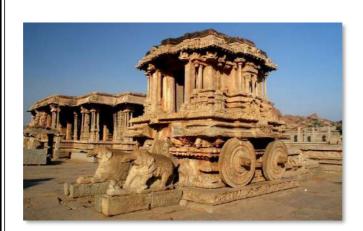
#### **Railways**

- The Indian Railway Catering and Tourism Cooperation (IRCTC) should reduce the annual management charges from INR 12 to INR 6 per each ticket. At the same time, OTA's should be encouraged to invest INR 4-5 per ticket for domestic holiday demand creation and improving the experience of rail booking platform. IRCTC should allow private OTAs to advertise to boost domestic demand
- Currently, 10% of the rail tickets are hosted by IRCTC. A feasibility study should be conducted to add the same rail tickets to IRCTC inventory, the rail inventory enhancement will not only also assist towards booking and payment on digital platforms but also reduce government costs for selling.

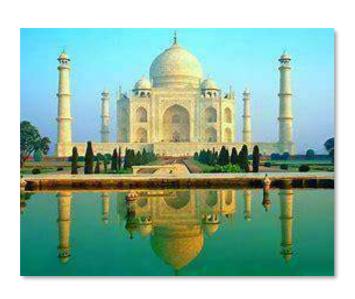
### **GALLERY**

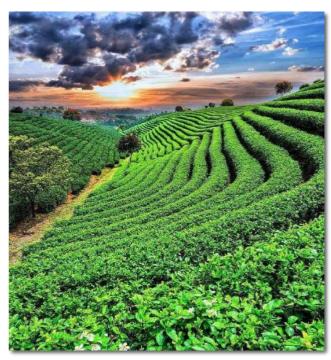






















### **CONCLUSION**

All across the world, countries are looking at tourism as the main driver to revive their economy. The data by World Travel and Tourism Council (WTTC) reveals that in 2019 the tourism industry in India contributed INR 194 billion to India's GDP. The industry also supported 87.5 million jobs, 12.75% of total employment in 2018-19. 9. Due to the impact of the pandemic on the Indian economy, the travel and tourism industry in India is looking at up to 40 million job losses (both direct and indirect) and about USD 17 billion in revenue loss.

This study focuses on the impact of the COVID-19 outbreak on the Indian tourism industry. The outbreak of COVID-19 is a novel pandemic that severely impacted the lifestyle of the majority of people across the globe. The critical economic shock to every person and every industry in most countries is the most common feature of the novel corona virus. COVID-19 has a significant impact on economic growth worldwide and creates an economic recession due to quarantines, travel restrictions, and social distancing. Some of the threats faced by economic environment during pandemic are rising unemployment, world recession, uncertainty weighing on consumer, vaccine unavailability and business confidence. Because of its unique tourism products, India is one among the famous destinations for both domestic and international tourists and travellers. The travel and tourism companies in India dealt a miserable journey due to cancelled bookings from travellers. Uncertain length of pandemic caused Extent of lockdowns which had travel restrictions was the treat mainly faced by tourism industry.

With the enforce on travel bans internationally, the airlines and railways came to a halt. The hotel and travel sector collectively may acquire a loss of about ₹85 billion due to the restrictions forced on travel and tourism. However, domestic transport was started early with some limitations. Some of the big tourism and hospitality organization such as Airbnb, OYO, Vista also faced loss. Most people think that their travel was affected mainly due to the fear rather than pandemic rules, availability of E-pass and availability of seats to travel at the same time the mode of travel considered to be most affected by the people was airline travel. During the lockdown period, India had cancelled travel to over 80 countries, which made the international flights being suspended. Along this, the cancellation of various events, caused a great job loss to many organizers.

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# WEST BENGAL STATE UNIVERSITY Bhairab Ganguly College

### Project on

Socio-economic status and buying pattern during pandemic period

SUBMITTED BY
ZINAT KHAN
(STUDENT OF M.COM)
2019-2021
REG.NO.1071922401408

UNDER THE SUPERVISION OF DR. SURAJIT SENGUPTA (ASSISTANT PROFESSOR)



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**REFERENCES** 

#### **CERTIFICATE**

This is to certify that Zinat khan student of Masters of commerce at Bhairab Ganguly College under West Bengal State University has completed the project on "Socio-economic status and buying pattern during pandemic period",under my guidance.

The report has been checked.

Dr. Surajit Sengupta
Assistant Professor
Department of Commerce

#### **CANDIDATE'S DECLARATION**

#### **Project**

Analyzing the socio-economic status and buying pattern during pandemic period.

#### I declare

- a) That the work presented is an outcome of my own efforts, and that my debts (for words, data, arguments and ideas) have been appropriately acknowledge.
- b) That the project report has not been previously submitted for any other assessment.

DATE: 08/09/2021

ZINAT KHAN STUDENT OF M.COM (2019-2021) REG.NO.1071922401408

### 1) INTRODUCTION

Coronavirus is a group of viruses that basis minor illness and certain type of virus can infect the lowest airway, and commencing severe illness such as pneumonia, bronchitis. COVID-19 is greatest influential pandemic to destroy public health. As is implied in the name COVID-19, CO for corona, VI stand for virus and D means diseases and 19 represents the year of its occurrence. The worldwide 5,370,375 confirmed cases and 344,454 deaths were registered by the World Health Organization (WHO).

After the COVID outbreak in Wuhan, China, it created a massive loss of life in other countries like Italy, Iran, France, Spain. The coronavirus eruption is first and prime human tragedy across the globe, affecting the lives of millions of people. It has greatly impacted the global economy. Every sphere is affected and impacted by the pandemic. Before lockdown work from home created a positive shift in the trend online shopping. But this could not reside for a long time. Unexpected lockdown of 21 days impacted Indian online shopping and marketing trends drastically

Initially, Coronavirus's influence on consumer buying behavior, towards brands and online tools was largely unknown. This paper aims to reflect on different issues and perspective of online marketing due to COVID-19. There are still many more uncertainties to predict how the sale for the next months will be impacting the global community, both personally as well as professionally. This study explores the impact of the epidemic from toilet tissue rolls to baby gear, grocery, pet food to many more daily essentials. Although some of the companies managed to operate through social commerce that is marketing by using e-commerce and social media.

As the E-commerce industry is growing tremendously during pandemic in the Indian market. The cheap 4G internet packages in India obviously gives a push to these industries. So, as COVID-19 first hit in India, people got scared to go out from their homes because, in their mind, it's a fear of coronavirus. They even hesitate to go out to buy essential goods. Panic buying also has been seen and to avoid this fear of COVID-19 ,people are giving preferences to the E-commerce sites to buy essential goods and some customers are new which signed up to buy essential goods during this pandemic lockdown period. Many customers are shifting their buying behavior from offline retailers stores to online stores. In this questionnaire collected from 38 respondents, some of them are old customers who used to buy some of their essential goods online and some of them has changed and their buying pattern are changing.

#### 1.1 OBJECTIVE OF THE STUDY

- 1)To measure the impact of socio-economic impact of COVID-19
- 2) Impact of COVID-19 on buying pattern.
- 3) To measure the relative changes in expenditure and its causes.

### 2) LITERATURE REVIEW

# 1)Aneesh Reddy, (April,14,2020) Covid-19 impact: Consumers move towards digital

Aneesh Reddy explained that due to the COVID-19 pandemic, the way we work has totally changed, the way we used to shop and communicate with people. People are only going out only to buy essentials items from the retail stores and still worried to go out to buy essentials goods because thewy are constantly worried about getting infected. Reddy said that according to trifecta, due to a cheaper 4G network and constantly increasing consumer wealth, Indian E-Commerce is expected to grow to



US\$200 billion by 2026.But these projections were based on the pre-covid-19. But as COVID-19 hit India, the surging demand of e-commerce for the past few months is so high that the e-commerce industry could hit \$200 billion much earlier.

## 2)PTI, (April 24,2020) Majority of Indian consumers may shift to online shopping in the next nine months,

The survey done have estimated that the pandemic breakdown and lockdown are going to bring major changes in how the Indian consumers going to buy goods or their buying behaviour. If essential commodities are talked about, there will be a major shift from 46% to about 64% in online shopping in the next 6-9 months. Also, as compared to 59% of consumers, around 46% of consumers are going to buy from physical stores. A survey conducted showed that nearly 74% of consumers prefer to buy online post the lockdown.

## 3)Next new desk (April 29,2020) Bengaluru based start-up wagon fly secures \$500k in investment from ITI growth:

Companies like wagon fly which is a contact-free shopping and delivery services start up, has just raised \$500,000funding, where its founder Raghavendra Prasad, has claimed a major shift to take place in the overall operations of the retail stores. As a consequence of this COVID-19 lockdown, consumers are now going to prefer contact-less shopping through online stored or portals and this is to completely change to their buying and consumption behaviour and pattern. The company's venture called cafefly, an online marketplace focuses on meeting the consumer's changing demands for FMCG products who fear to step outr due to the pandemic.

# 4)Mukherjee. W, Bailay. R, Srivastava. A (March 16,2020) consumer goods flying off the shelves.

Covid-19 lockdown has witnessed a sudden rise in the online sales of consumer goods like groceries through the emerging online platforms like Grofers, big basket, etc ,in the form of panic buying. Various FMCG companies have witnessed a 20-25% rise in the sales of these goods in each category. E-commerce companies like these have stated that they are stocking these goods in advance as compared to the pre-lockdown period

and are seeing this as an opportunity to encourage customers to go online shopping and benefit from the same. And they have allowed the reason to the consumer's concern about social distancing and as a preventive measure against the pandemic.

## 5) PTI (April 06,2020) Preference for hygiene products to rise, online sales to zoom, amid COVID-19 threat:

CGPL MD and CEO told Vivek Gambhir that a major shift in consumer buying behaviour and preferences is going to take place as a consequence of Coronavirus and they are going to be more conscious about health, hygiene, and sanitation and as a result of this threat and concern, he says that there is a good opportunity for e-commerce companies to boost their online sales as people would prefer to go for contact-free buying through these platforms. After this analysis, FMCG companies are now entering into the manufacturing of sanitizers and related health products as arise in the online sales of FMCG products through e-commerce platforms can be seen clearly.

# 6) Shashidhar. A (March 20,2020) Covid-19: FMCG majors Amul, Godrej, ITC hike output up to 20% as anxiety buying spikes

Due to the pandemic lockdown consumers have been witnessing stocking out of consumer goods like milk, flour, rice, groceries and personal care products like soaps, sanitizers, handwashes, etc. And in this time ecommerce platforms have been trying their best to meet the consumer's demand for FMCG products. FMCG products like Amul, Godrej, and ITC have raised their production as well as a result of a huge increase in the demand for these goods.thet stated that this has been due to the reason that people are preferring to be confined in their homes and buy goods that are contact-free through these portals and see this as a great opportunity for the e-commerce industry in the country to boost and emerge as a profitable platform in the coming years. And with the end of this lockdown period, consumer's buying behaviour and preferences are going to change drastically.

# 7) Warc Data point (March2020) E-commerce shopping more frequent because of COVID-19

Due to the coronavirus (COVID-19) more consumer shifted their consuming



habits to online. According to the latest report by IPSOS, the jump in e-commerce shopping where India (55%), China(50%), Italy(31%) and Vietnam(56%). This new habit of consumers going to be long last foe decades for the e-commerce industry.

### 8) Bansal.S.(April 02,2020) opinion will consumer behaviour see shift post covid-19

Shuchi Bansal said that, as a consequence of COVID-19 lockdown, there would be a major shift in the supply chain and an increased consumption of e-commerce portals through the internet. It has been estimated that the online stores engaged in sales o groceries and other FMCG products could see a massive shift in demand to avoid going out to crowd shops and marketplaces.

After analysing the consumer buying behaviour from the time India first encountered COVID-19 till the time it went under the lockdown, it could be said that people have become more online shopping for customers.

### 9) Nath. S.(April 28,2020) Did the lockdown acerate the digitization of INDIA Inc?

Sanstuti Nath threw light on the term 'digital consumption'. Her study o the consumption patterns of consumers post-pandemic lockdown, showed that the e-commerce companies have seen a significant growth of 70-100% for essential commodities. And this sudden adaption of digital platforms can be allocated to mobile advertising. Top companies and brands were already benefiting themselves from these platforms, and also now post lockdown this whole scenario is going to change how consumers buy.

# 10)PTI(April19,2020) Post lockdown, online-to-offline strategy to get prominence in the retail sector: LOT Wholesale

The retail outlet LOTS wholesale have stated that as consumers are now more conscious of their health and protection against the pandemic, there is going to be a drastic change in the consumer behaviour especially in buying FMCG goods and all retailers will be bound to do the sales on online platforms, that is the e-commerce [portals to meet the demands of consumers and promote contact-free ordering and Delivering services. Also, they said that to cayter to the changing needs of customers there would be a need to have an omni-channel strategy, online to offline. As for now, there

increased demand for only essential commodities but a considerable amount of time will be taken for shopping behaviour to get normal, as purchasing habits are going to change drastically.

## 11) Yatti Soni (April,30,2020) The Reset: Covid Highlight Direct To consumer potential for Indian E-commerce

Even before the covid-19 pandemic lockdown e-commerce becoming the need of every household. Due to pandemic lockdown, e-commerce is only supplying the essentials goods so that consumers feel safer and to go out to buy essentials goods from retail stores. According to Cappemini's research on consumer sentiment, his report states that the consumer of e-commerce is going to increase from 46%to 64% over the next to nine months.

## 12)Anirudh Lasker (May,15,2020) Lo0ckdown impact: India e-commerce market picks pace, may touch 7 trillion rupees by 2023

Due to the coronavirus pandemic, it has pushed the consumer to shift from offline retail stores to online shopping, according to CAGR it says that in 2023 Indian e-commerce is 19.6% between 2019 and 2023. The major growth can be seen in the 2 leaders of e-commerce Flipkart and Amazon.

# 13) Writankar Mukherjee, Sagar Malviya (May,04,2020) Top multinational from HUL to Apple brace for rising online sales post covid-19

India's largest FMCG goods company HUK chairman Sanjiv Mehta said customers has this fear of coronavirus due which they are scared of going out to buy even essentials goods for them. Online FMCG sales rose to 50% YOY during the march quarter as consumers are more interested in shopping e-grocers instead of vlocal kiranas. In Nielsen report, they mentioned that local retailer share fell by 220bps, entirely taken by either e-commerce or modern retailers in this pandemic lockdown.

### 14) Khetarpals.s(May 13,2020) lockdown perks for e-commerce; online sellers recover 30% order volume in a week.

Everyone, especially business are curious to know how consumer behaviour is going to change post lockdown period. As to meet the demands, consumers have shifted to the online industry, have witnessed a rise of 100 percent as compared to the pre lockdown period in FMCG products. However, these companies are allowed to do their operations as per the red, orange, and green zone in the country. While the online fashion industry is expected to rise again after the lockdown, whereas, the cosmetic sector has not seen recovery very till now and will take a little longer to recover.

### 15) Avatar.P(May05,2020) lockdown 3.0: Flipkart, Snapdeal sees heavy traffic for non-essentials items.

As with the ongoing lockdown period, FMCG products are on high demand, but once the lockdown gets over, how consumer behaviour is going to changes is a big question. With the lockdown 3.0e-commerce platforms have been permitted to sell non-Essential items in the orange and green zones and with this Flipkart has stated that most searched belongs to the personal care products like trimmers, electronic goods like mobiles, laptops, and fans, air conditioners to beat the heat. Snapdeal claimed that they have received a huge proportion of 75% of the total orders from these orange and green zones in the country. Estimates are that there would be huge demands for items like these post5 lockdown period.

### 16)Tech desk, (May 19,2020) lockdown 4.0 relief: Amazon, Flipkart welcome non Essential deliveries in red zones.

Till lockdown 3.0, the e-commerce companies were allowed to deliver the essential commodities as well as non-essentials to only orange and green zones but with lockdown 4.0. E-commerce companies have welcomed the guidelines of the government to deliver essentials and non-essentials in all the three zones, however, containment zones will be getting only medicinal deliveries along with the groceries and so .With all this e-commerce companies are trying to meet the ongoing demand for all the categories of goods and are estimating this to be an opportunity for e-commerce platforms.

### 3) RESEARCH METHODOLOGY

#### 3.1 PURPOSE STATEMENT



The research has been conducted to study the socio-economic status and buying pattern during pandemic period. The study shows that how the customer changed their buying pattern and shifted towards online platform for shopping. This study also shows that what impact has been done in Ecommerce industry.

#### 3.2 DATA COLLECTION TOOLS

In order to carry out this research and to collect the primary data, a questionnaire has been prepared which contains 25 questions, and a fields survey has been done.

#### 3.3 REPRESENTATION OF ANALYSIS

Bar graph, diagram, pie-chart, charts, table etc. are used for the purpose of analysis.

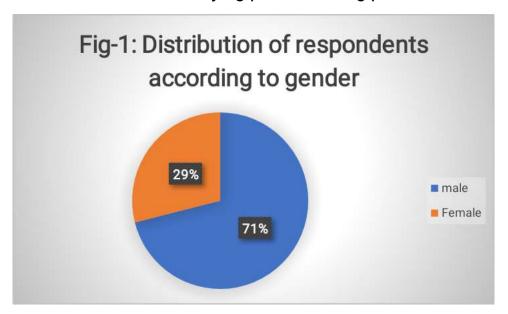
# 4) ANALYSIS AND INTERPRETATION OF DATA

The questionnaire is based on knowing the Socio-economic status and buying pattern during COVID-19 pandemic period. The recorded response of total of 38 consumers of E-commerce buying products online before lockdown and during lockdown from online platforms. This questionnaire gives a view of customer's buying pattern through online and offline. The questionnaire contains questions which covered to know that at what level consumers are shifting and it also shows that whether that consumer used to buy online groceries and other essential products or not, or if that person is a first-time user of e-commerce just signed up during the lockdown period. The respondents are required to choose one option on their behaviour like yes or no. the questionnaire also contains the demographics

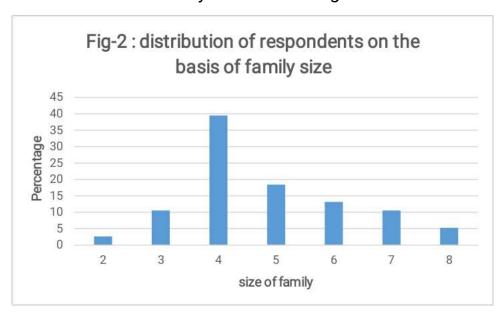
like gender, occupation, income level, etc.

The pie charts and bar graphs are going to show how different respondents reacted towards the survey and there are different sets of questions to know the customer buying behaviour during pandemic.

There are 29% female respondents, and 71% are male respondents who participated in the survey and helped to give a clear picture on socio economic status and buying pattern during pandemic, shown in Fig.1.



The survey also shows that the maximum number of respondents have 4 members in their family as shown in Fig. 2 below.



The information gathered from this survey shows that maximum families have only 1 employed member in their family. 39% respondents have only 1 employed member,32% respondents have 2 employed members, 24%respondents have 3 employed members, 3% respondents have 4 employed members, and 2% respondents have 5 employed members in their family as shown in Fig 3 below.

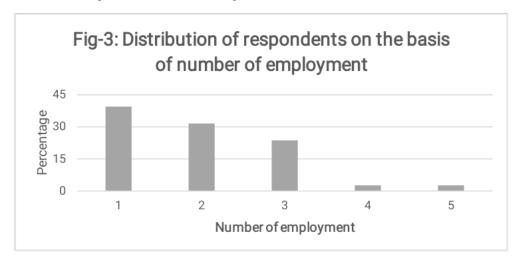


Fig.4 below shows the income level of the respondents, and the maximum number of respondents have monthly income of 35000 and above, that is, 39%, and next 19% respondents have income level between 20000-24999, and 16% respondents have income between 25000-29999, 8% respondents have income between 30000-34999, and 7% respondents have income between 10000-14999 and rest 5% respondents have income between 10000-14999.

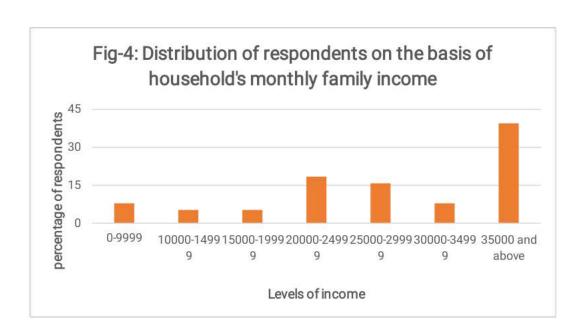
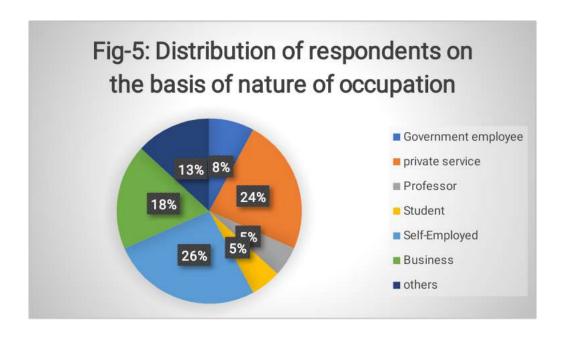


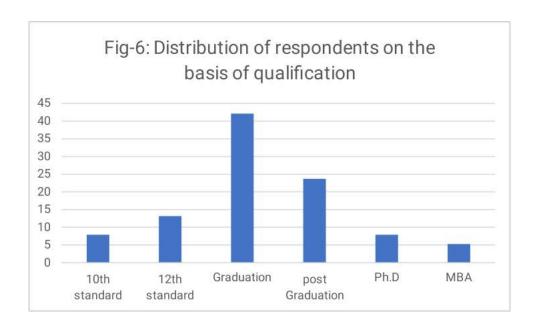
Table-1 Distribution of respondents on the basis of employment

no of	Number of family members	percentage of
respondent	in formal sector	respondents
9	0	23.68421053
14	1	36.84210526
11	2	28.94736842
2	3	5.263157895
1	4	2.631578947
1	5	2.631578947

The occupation of the respondents is shown in fig.5 below, according to the chart the greatest number of respondents are self-employed with 26% participation survey and 24% respondents work in private sectors and 18% are engaged in business and 8% respondents are government employees and 5% are professors and 5% are students and the rest of 14% have chosen others option.



The survey also gives information about the qualification of the respondents. From fig.6 shown below, it has been concluded that maximum number of employees are graduate who participated in this survey with 43%, 23% respondents are Post graduate and 13% respondents are 12<sup>th</sup> pass and 8% respondents are 10<sup>th</sup> pass and 9% respondents holds the degree of Ph.D and rest of 4% have done MBA.



Along with other information, this survey also gives shows the attack of coronavirus on the family members of the respondents. In fig.7 below, 13% have responded with 'Yes' that their family members have suffered from deadly coronavirus and 87% have chosen 'No'.

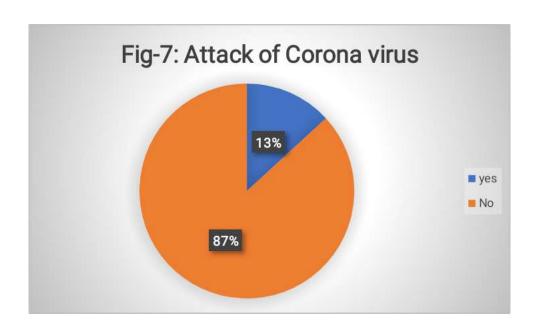
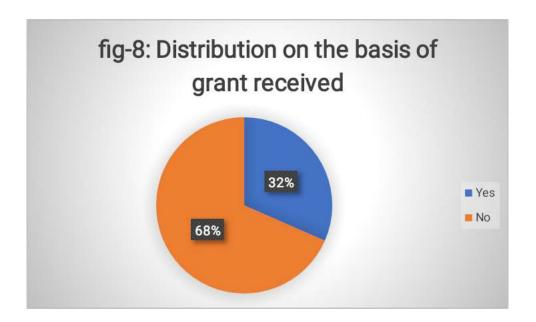


Fig.8 below shows that 32% of respondents receives grant whereas 68% of respondents does not receives any grant.



As shown in fig.8, 32% respondents receive grants. Among them 28% respondents receive grant from any institution, 26% respondents gets grant from unknown friends, 24% from relatives, 2% from friends and the rest of 2% respondents receives grant from both 1 and 2 sources as shown in fig.9 below.

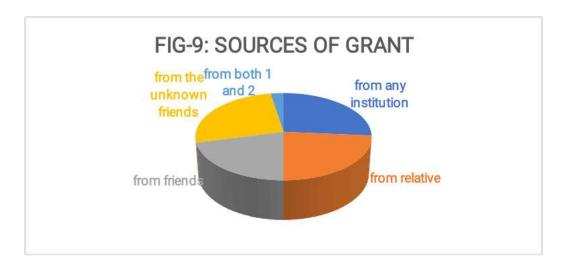
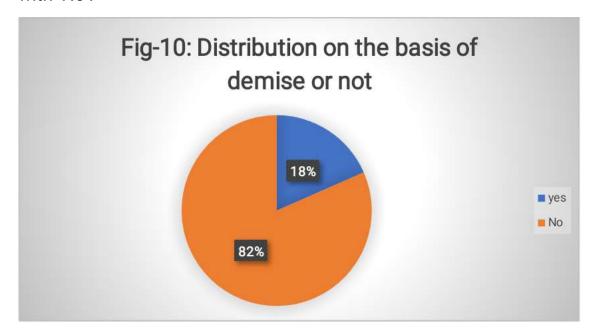
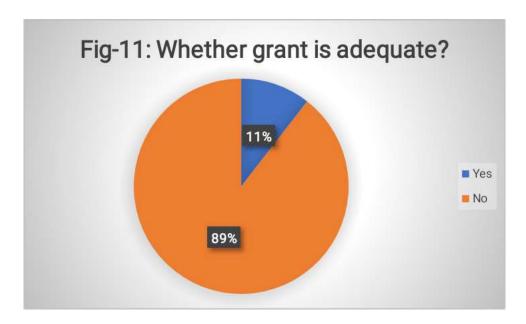


Fig.10 shows that 18% respondents have lost their beloved family member in this sadly period of pandemic. Whereas 82% respondents have replied with 'No'.



It has also been asked from the respondents that whether the grant that thy is adequate or not. 11% respondents agrees that the grant receives by them is adequate. 89% respondents say 'No', as shown in fig.11.



This survey also gathered information about the job lost by the respondents or any family member of respondents.21% respondents say that family member has lost their job during this pandemic whereas 79% say that they are still doing the same job as they were doing before this pandemic, and it can be seen in fig.12.



Among all the respondents, 74% respondents say that there is significant decrease in their income, whereas 26% respondents say that the pandemic

has not affected their income, and it is shown in fig.13 below.

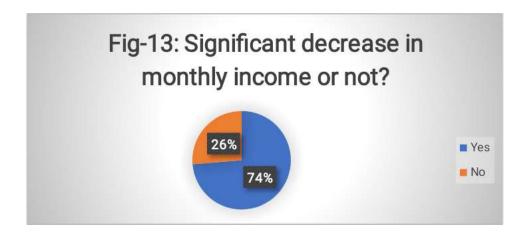
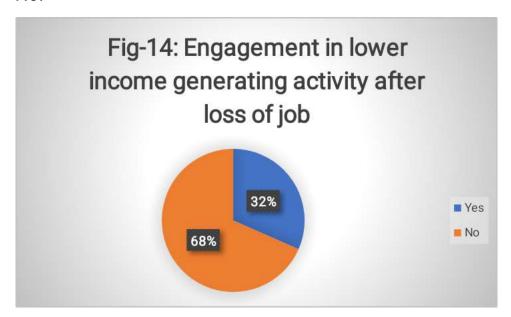


Fig.14 below, shows whether the respondents or any of their family member engaged themselves in lower income generating activity after loss of job or not. 32% respondents replied with yes and 68% respondents say No.



The opinion regarding increase in monthly expenditure has also been recorded.84% respondents have observed and replied with yes that their monthly expenditure has increase during pandemic whereas 16% say 'No'.

And it is shown in fig.15 below.

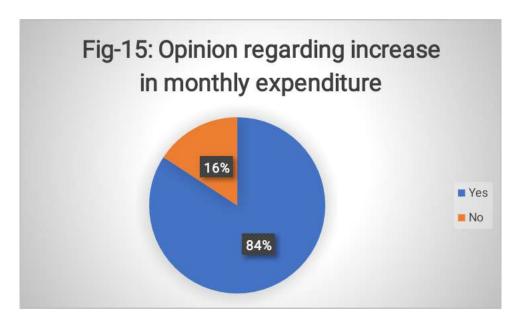
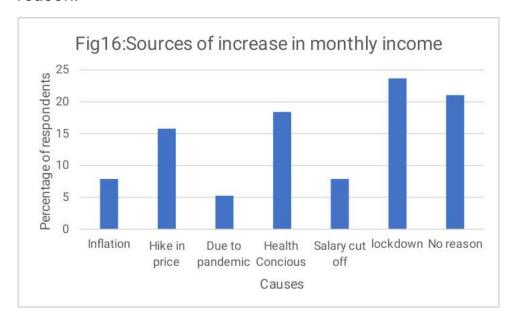
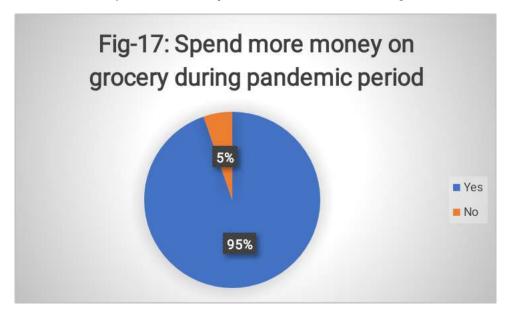


Fig.16 shows the reasons behind increase in monthly expenditure. 24% say it is due to lockdown, 18% say that it is due to health consciousness, 17% say that it is due to hike in price, 7% sat that it is due to inflation, 8% say that it is due to salary cut-off whereas 22% responded that there is no reason.



From all the respondents, the question ask that whether they spend more

money on grocery during pandemic period. 95% respondents say that yes they are spending more of their income during pandemic period. whether as 5% of respondents say 'No'. It is shown in fig.17below.



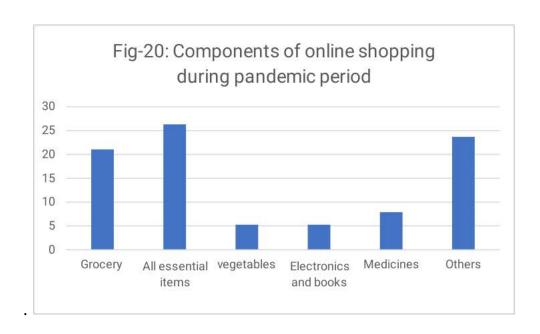
The question about the relative importance of online shopping arises here. When the respondents were asked about the relative importance of online shopping during pandemic. 87% respondents say that online shopping has contributed a huge helping hand and made them buy essential products easily delivered to their door at time. And it helped a lot in maintaining social-distance and covid norms. Whereas 13% respondents still going with the traditional buying pattern and replied with 'No'. and it is shown in fig.18 below.



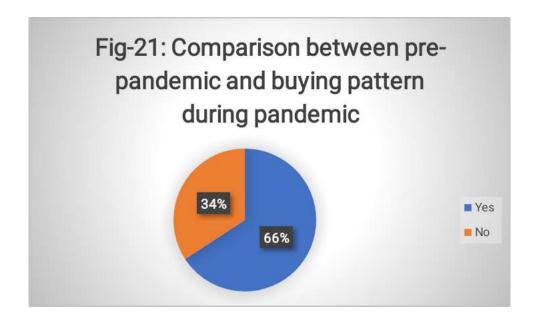
When the respondents were asked about their previous experience regarding online marketing as shown in fig.19. Only 29% respondents say that they were using online platform before pandemic also. 71% respondents say that previously they were not using the online apps for buying anything, but as the COVID-19 hit the world they have to shift towards online platform for buying products as it is safe and helps to stay at home and maintain social distancing and ultimately helps to decrease the chance of spreading the virus as shown in fig.19 below.



The respondents gave brief description about the products that they purchased online during this pandemic. 26% respondents ordered all essential items through online, 23% respondents ordered grocery, 5% ordered vegetables, 8% respondents ordered medicines, 5% respondents ordered electronics and books and the rest of respondents ordered other products through online during this pandemic



A comparison has been done between pre-pandemic and during pandemic buying pattern by the consumers. 66% respondents say that their buying pattern has chanced whereas 34% respondents say that their buying pattern is same as before pandemic. And it shown in fig.21.



### 5) CONCLUSION AND FINDINGS

The research has found that the most important aspects of those consumers who have never bought anything before have shown interest in buying goods online. As in the above charts shows that 66% respondents say that buying pattern has changed. It seems to be a sharp jump in the new customers who freshly signed up to buy goods through an online platform. Not only the number of new customers has been increasing but also the satisfaction level is also increasing dramatically. These are because of several reasons like, the person fear to go out to buy goods offline due to the COVID-19. So they prefer and trust more in E-commerce industry rather than buying goods traditional stores. According to some articles,it has been seen that it's difficult for the E-0commerce companies to fulfil the demand of the customers. From this we get an idea that more and more people are keeping on adding themselves and becoming member of online E-commerce platform.

COVID-19 helps E-commerce to generate more customers because everything was lockdown and people were scared to step out from their house, so they prefer to buy online and many of the new customers also joined.

The respondents say that the E-commerce industry played a vital role during the lockdown period. It availed people to get the essential products at their doors which saved people from going out during this pandemic. It ultimately helped them to stay away from coronavirus and to maintain COVID-19 NORMS like social distancing. It seems that customers are going to rely on the E-commerce platform to buy essential goods online. It clearly shows that E-commerce industry is going to boom in the future.

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