DETERMINANTS OF CROPPING PATTERN IN TELANGANA ECONOMY

Dr. KOTI REDDY TAMMA*, Dr. I.R.S. SARMA**
and Dr. M. ARUNA***

ABSTRACT

Telangana agriculture is increasingly getting influenced more and more by economic factors. The present study explores the change of Cropping Pattern in the Telangana State based on secondary data. Data on important variables like area, production, yield, minimum support price, gross and net irrigated area and size of holdings were compiled from various published sources. The analysis of data reveals that the cropping pattern in Telangana has undergone significant changes over time. There is a marked shift from the cultivation of food grains to commercial crops. Since 1980s there has been a shift from traditional cereal-based towards commercial commodities such as oilseeds, cotton and sugarcane.However, during the 1990s the crop sector witnessed high fluctuations due to consecutive droughts and decelerating crop yields. The authors opine that an accelerated pace of diversification to create positive import of higher income, higher employment and conservation and efficient use of natural resources emphasizes the need for efficient policies, especially in technological development, selective economic reforms and institutional change.

Key words: Cropping Pattern, Minimum Support Price, and Gross and net Irrigated Area, Productivity, Government policy, Technological development

1. INTRODUCTION

Cropping pattern represents the behavior of the farmers in their agricultural operations."In a tradition ridden country with a very low level of knowledge, the peasants are unwilling to make experiment" in an agricultural community where the members are illiterate and tradition ridden there is hardly any possibility of crop shifts **(S.N.Sinha 1964).** But with the passage of time, things have changed a lot. Now the people started to believe that the cropping pattern can be changed and must be changed for the interest of the people so as to bring diversity in Indian agriculture. During the process of five-year plans the cropping pattern has undergone significant changes in India. Increasing attention is now being focused more on horticultural crops in order to achieve a between crop balance and attracting the

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Growth and Income Inequalities in India – A State Level Analysis

Madhubanti Dutta and Koti Reddy Tamma

I. INTRODUCTION

The issues of regional economic growth and inequality have attracted considerable attention among researchers, planners and policy makers. Since Independence, the Indian government has been concerned about how to strengthen national unity and promote economic growth with regional equality. Balanced growth of all the regions of the country has been considered essential for national integration, political stability and economic viability. Naturally, the issue of regional balance has been given sharp focus in all the Plans, and various policies and programmes have been adopted for achieving regional balance in the economy. Ghosh et al. (1998) argue that the disbursement of funds has been made in such a manner that the poorer states have received proportionately larger amount of funds for development purpose relative to the richer ones. Rao et al. (2008) argue that the equalization observed in the total inter-governmental transfers is mainly due to finance commission's transfers; while the finance commission's transfers have a significant equalising impact largely due to the progressive distribution of tax devolution, grants for the state plan and centrally sponsored schemes have no equalising impact. In this context, it seems pertinent toexamine whether a considerable degree of regional inequality is persisting despite the Indian government's concern for its reduction.

The Eleventh Five-Year Plan (2007-12) has chosen 'faster and more inclusive growth' as its central theme. It recognized the need to make growth 'more inclusive' in terms of benefits of growth flowing to those sections of population, which have been bypassed by high rates of economic growth achieved in recent years. It has also been perceived that disparities among regions have been increasing steadily and the gains of the rapid growth have not reached all parts of the country in an equitable manner. Hence, for growth to be 'more inclusive' regionally, it is necessary that the benefits of rapid growth be shared equally by all the regions of the country. In the present juncture of the economy, the issue of inclusive growth is highly relevant, and it seems useful to investigate how far economic growth has been 'inclusive', and to what extent the benefits of growth have been shared by different regions of the country. During the 12th five-year plan, the special attention has given to the laggard States to accelerate their economic growth. In order to achieve this, it

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Role of Goods and Service Tax in Improving The Indirect Tax to GDP Ratio – A Leap Forward

Tamma Koti Reddy and Madhubanti Dutta

I. INTRODUCTION

Indian Constitution has made a provision for the introduction of federal tax structure. The Constitution has made a detail provision for the imposition of various types of taxes by both Central and State governments. Since independence India has maintained a broad-based and extensive tax structure. Various types of taxes are being levied in the country which are broadly classified between direct and indirect taxes. In terms of the tax structure, India is considered as one of the highly taxed countries. Although the rate of taxes is quite heavy but coverage of such taxes is not very wide in the country. The tax system suffers from various anomalies which have significant adverse effects on equity, efficiency and allocative efficiency.

The 1990s tax reforms brought structural changes in the tax system. These reforms aimed at correcting imbalances in the sources of revenues through increasing the share of direct taxes. A striking feature of the composition of tax revenue is the high ratio of indirect taxes in total tax receipts from 1950-51to 2007-08. However, in 2007-08 the share of direct taxes became higher than that of the indirect taxes for the first time. The principal indirect taxes levied in India are Customs duties, Excise duties,Value Added Tax, Service tax, Entertainment Tan and Luxury Tax. Customs duties had remained the most important source of revenue until the beginning of the World War II. Now the excise duties have emerged as the biggest source of revenue. In the 25-year period from 1965 to 1990, India's tax-to-GDP increased steadily from 10% to 16% while GDP increased 2.8-fold. In the subsequent 25-year period from 1991 to 2014, India's tax-to-GDP stayed roughly constant between 16% and 17% while GDP increased 4.5-fold. It is puzzling to us that just as India broke away from its clichéd Hindu rate of growth post the 1991 economic reforms to grow much more rapidly, its tax-to-GDP ratio stayed constant, belying those who would have predicted an increase. That, curiously, India's rate of tax revenues did not grow commensurate with its GDP growth post the 1991 reforms is inexplicable.

The present structure of Indirect Taxes is very complex in India and tax rates differ from State to State. The tax structure is also highly complicated and riddled with elaborate laws and administrative rules,many of which are obsolete and unenforceable. As a result

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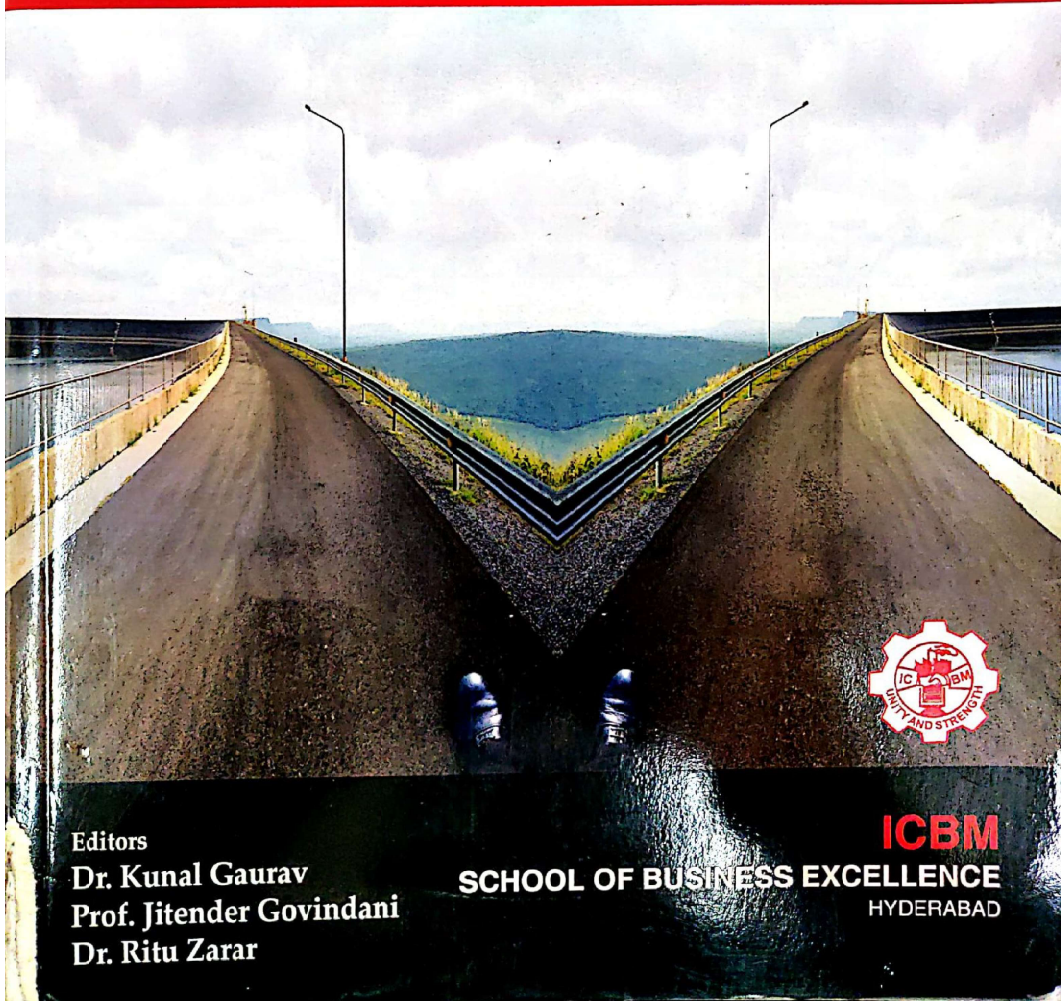
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31 CHAPTER

Maggi Controversy: Accountability of Brand Endorser

Farrah Zeba[1] and Musarrat Shaheen[2]
[1,2]Research Scholar, IBS Hyderabad, IFHE University, Hyderabad, India

On 5th June, 2015, FSSAI (Food Safety and Standard Authority of India) announced a short-term ban on the sale, manufacture, and distribution of Maggi instant food noodles. Maggi was pronounced "unsafe and hazardous for human consumption," after the result of series of 30 government's lab tests. Excess amounts of lead were found in Maggi, which is unsafe for human life. Kids were the major consumer of Maggi noodles and it was found harmful. People felt cheated and betrayed. They had high trust in the company and had believed the words of the Bollywood stars who were endorsing Maggi as a "2-minute" solution for the hunger of their children. They set fire to Maggi noodles packets and photos of these Bollywood celebrities (refer exhibit I).[1] Maggi had three prominent Bollywood celebrities as brand ambassadors, viz., Amitabh Bachchan, Madhuri Dixit, and Preity Zinta (refer exhibit II). Indian Government also supported the grievances of the public and promised that legal actions will be taken for both the company and the celebrities if the tests of another set of Maggi packets will have similar results. G Gurucharan, additional secretary of consumer affairs said, "though the main action is being taken by FSSAI, we have powers to take action against those involved in misleading advertisements."[2] He added, "the consumer affairs ministry has referred the case to National Consumer Disputes Redressal Commission for class action suit." Amitabh Bachchan responded to these allegations and had clearly indicated that he was no more involved in the advertisement and endorsement of Maggi. Whereas, Madhuri Dixit, who had recently taken this project, met the officials of Nestle India and confirmed that the company has assured her about the quality of the product.[3]

Maggi is an instant noodle, sauces, soups stocks, and seasoning brand of Nestle India. Nestle India is a subsidiary of Nestle S.A of Switzerland. With the launch of Maggi noodles, Nestle India had created an entirely new instant food category in the

[1]Erika Fry, "Nestlé's Half-Billion-Dollar Noodle Debacle in India", http://fortune.com/, April 26, 2016.
[2]BS Reporter & PTI "Bachchan, Madhuri, Zinta may be in a soup for endorsing Maggi", http://www.businessstandard.com/, June 2, 2015.
[3] Press Trust of India "Govt warns of action against Nestle, brand ambassadors if Maggi fails FSSAI test", http://indianexpress.com/, June 2, 2015.

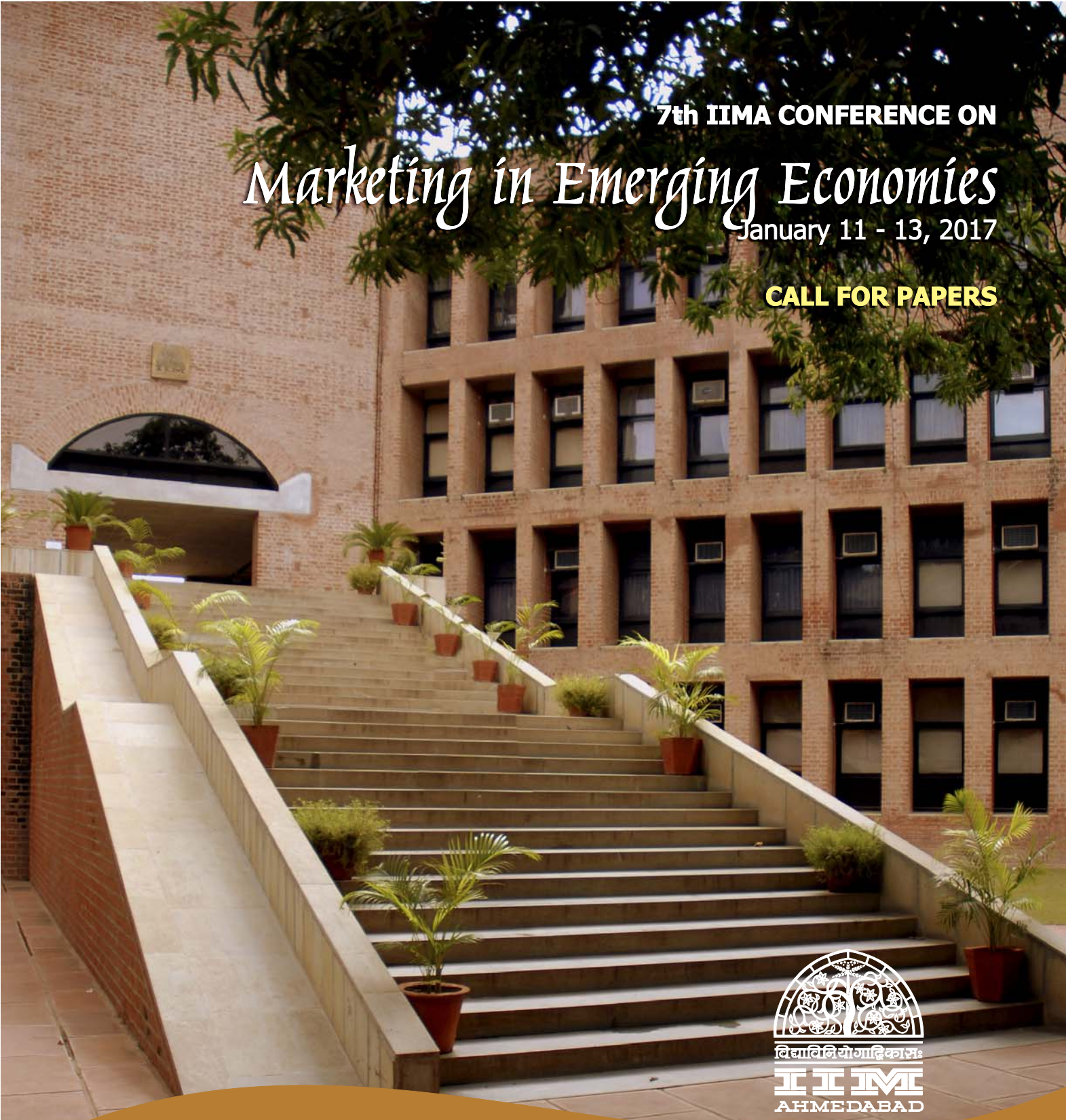
Indian packaged food market. Initially, Maggi was positioned in the category of convenience food and working women were targeted. But, R&D team of Nestle India found that Kids were the major consumers of Maggi. Hence, Nestle India shifted their focus from working women to Kids and their mothers. They repositioned the Maggi brand towards the kids and promoted it with taglines such as "Bas 2 Minute" and "Mummy BhookLagi". They also distributed free samples of Maggi and offered new Maggi packets on the return of empty packs.[4] An article in Fortune Magazine confirms that Indians had consumed more than 400,000 tons of the instant noodles in the year 2014. Maggi was marketed in 10 different varieties ranging from 'Cuppa Mania Masala Yo!' to 'Thrillin Curry'. It was claimed that Maggi contributed $1.6 billion revenue in Nestle India. In the same year "Maggi was named one of India's five most trusted brands".[1]

Sanjay Khajuria, the head of corporate affairs for Nestlé India, had received the notice about Maggi's contamination with monosodium glutamate (MSG) almost 10 days earlier.[1]The food safety commissioner of Uttar Pradesh claimed that a Maggi noodles have seven times the permissible level of lead and hence the batch had to be recalled. Nestlé India responded quickly to this notice with a test result of its own and confirmed that Maggi was absolutely safe for consumption. Sanjay Khajuria believed that food safety and regulatory officials would find his response compelling and the matter would be resolved. But, what had at first seemed like a minor regulatory issue was about to spiral into a big crisis for Nestlé India. Some news correspondence has compared Maggi crisis with the Bhopal Gas crisis, where a toxic gas leak from one of the plants of Union Carbide pesticide plant had killed thousands of people. This Maggi fiasco proved very costly to Nestle India (refer exhibit II). Nestle India spent around $70 million to complete one of the largest food recalls in history.[1]

The crisis had not only affected the revenue and image of the company, but had also put blame on the celebrities attached with it. The Bollywood stars who were endorsing Maggi were caught hold by public. Public felt deceived and cheated. They claimed that these celebrities (Amitabh Bachchan, Madhuri Dixit, and Preity Zinta) were engaging in the promotion and advertisement of Maggi and projected it as safe and healthy food for the consumption. They should be penalized for misleading the public. Legal laws governing the safety and security of food also advocates that, "anyone who is a party to a misleading advertisement or its publication can be fined up to Rs 10 lakh. The proposed amendments to the Consumer Protection Act also has provisions to issue direction for discontinuation of such advertisements and even reporting such violations to police or any other law enforcing agency for

[4]"Brand Story: Maggi", https://goo.gl/5qCZVw

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An Instrument to Measure Place Brand Equity Considering the Public Diplomacy Perspective

Sunny Bose* and Sweta Singh

Key Words: Customer-based place brand equity (CBPBE), Public diplomacy, Customer-based brand equity (CBBE), Scale development

Introduction

Twenty-first century heralds a new form of competition in the market place. The traditional battle for the customers' wallets among the business entities has got amplified and geographies have started competing among each other for trades, investments, and businesses. Today nations and regions are competing with for tourists (domestic and international), investments (FDIs and domestic), students, and exports. In this context, the opinion put forward by Kotler and Gertner (2002) that places (nations) help in information processing and heuristics by the customers regarding products and services offered can be attributed to a place brand equity of a particular city, region, or nation. Reports by GfK-Anholt (2012) and FutureBrand (2012) on nations indicate that countries with highest brand index rankings tend to receive higher share of students, investments, and tourists. Such rivalry among regional entities has resulted in gradual development of a new domain of marketing known as place branding (Anholt, 2005, 2010; Dinnie, 2004). Place branding tries to incorporate the traditional and nontraditional approaches of marketing with particular focus on branding strategies for promotion, development, and enhancement of saleability of a particular place or region toward its prospective customers who are in the forms of tourists, students, firms, exporters, and investors.

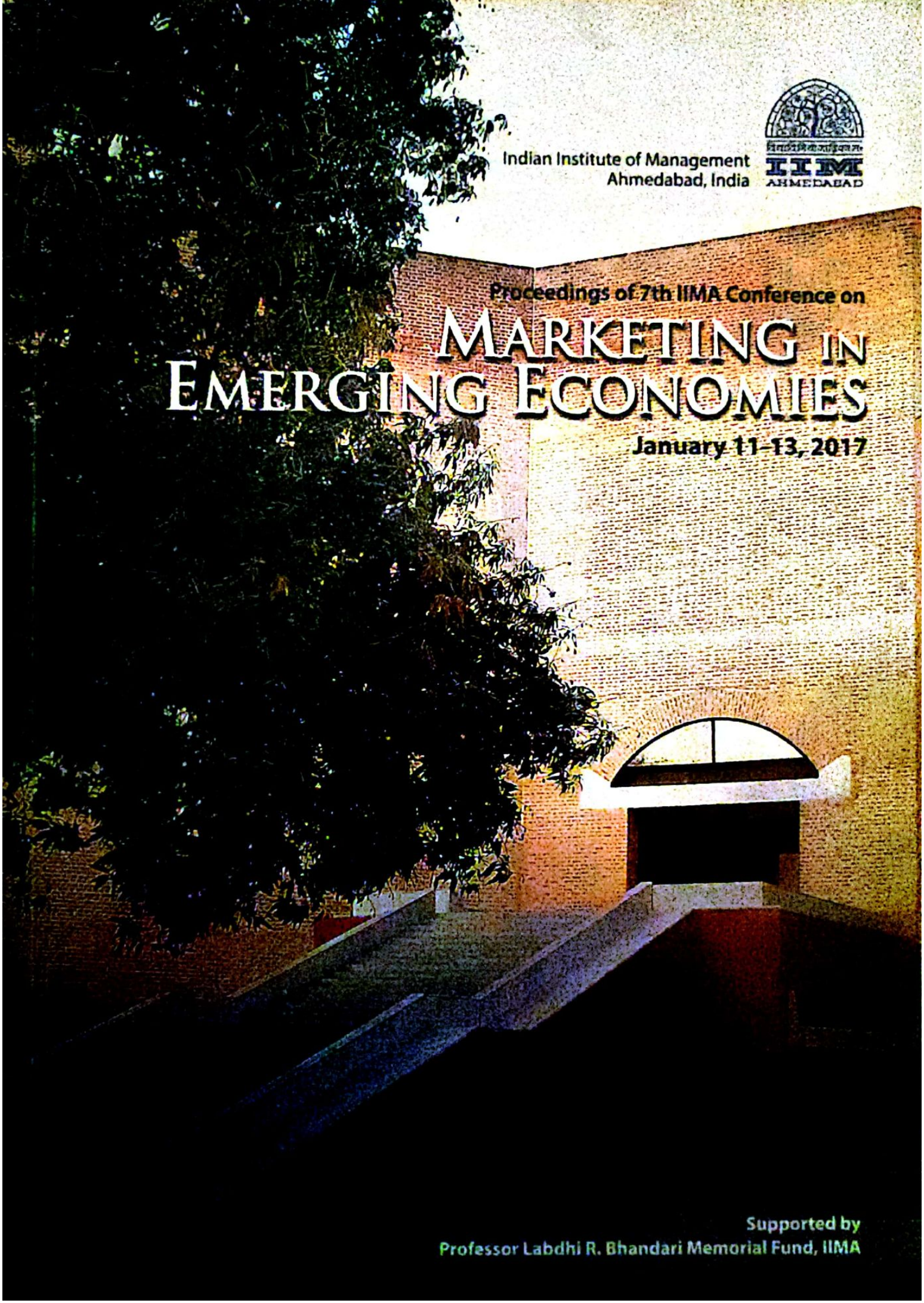
The context of brand equity for a place has predominantly been applied in the context of destination branding that deals with tourism marketing and tourism destination image (TDI), and their antecedents and consequences thereof (Pike, 2007, 2009; Elliott et al., 2010; Gartner and Konecnik-Ruzzier, 2010). In addition to the above-mentioned traditional perspectives on place branding, scholars opine that place branding can be studied and/or analyzed from the aspects of regional identity (Singleton and McKenzie, 2008; Williams et al., 1995) and public diplomacy (Jones and Smith, 2006; Basu, 2007). Fan (2010) mentions four sources that have contributed to nation branding. These sources are country of origin (COO) (Papadoplous and Heslop, 1993, 2002), place and/or destination branding (Kotler, Haider, and Rine, 1993; Kotler and Gertner, 2002), national identity (Smith, 1991; Bond, McCrone, and Brown, 2001) and public diplomacy (Ham, 2001; Melissen, 2005a; Fan, 2008).

Public diplomacy is a key driver for place branding and has direct relationship with investments, exports, and tourism (Bose, Roy, and Tiwari, 2016). Public diplomacy is the state

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Understanding Consumer Acceptance of Mobile Payment Apps: Role of Perceived Credibility and Perceived Benefits

Bijeta Shaw and Ankit Kesharwani*

Key Words: Travel blogs, Destination image, Content and narrative analysis, India

Purpose of Research

Mobile payment (m-payment) has emerged as a big game changer in the field of e-commerce and financial services. Payment through various mobile devices like smartphone and tablet has received significant attention with the rapid change in technologies. Mobile payment, also referred to as mobile money, mobile money transfer, and e-payment generally refer to payment services operated under financial regulation and performed via a mobile device. In an era where smartphones are everywhere and there seems to be an application for everything, "mobile wallet" technology is becoming more popular every day. Mobile wallets are digitized version of traditional wallets. The benefits of digital wallet include faster payment, fraud reduction, carrying less cash, saves time and effort, etc. Electronic wallet (E-wallet) is an online prepaid account where one can stock money, which can be used when required. As it is a preloaded facility, consumers can buy a range of products including airline tickets, make utility payment, and purchase online grocery without swiping a debit or credit card. According to latest market research report, although there is a huge penetration of mobile phones, 123.3 billion in 2015, consumers are still reluctant to use mobile wallet, active consumers being 4%. Hence, this nascent area requires empirical evidence regarding its acceptance among consumers.1 Based on technology acceptance model (TAM), the present study proposes a comprehensive model of mobile wallet evaluation and adoption. The objectives of this study are as follows:

1. To examine whether perceived credibility, perceived financial cost, and perceived benefit significantly impact consumers' behavioral intention to use mobile payment wallet adoption in India.
2. To understand the factors which contribute to the acceptance of mobile payment wallets.
3. To evaluate the moderating role of smartphone addiction, subjective norm, age, and gender in acceptance of mobile wallets.

Model Framework and Hypothesis Development

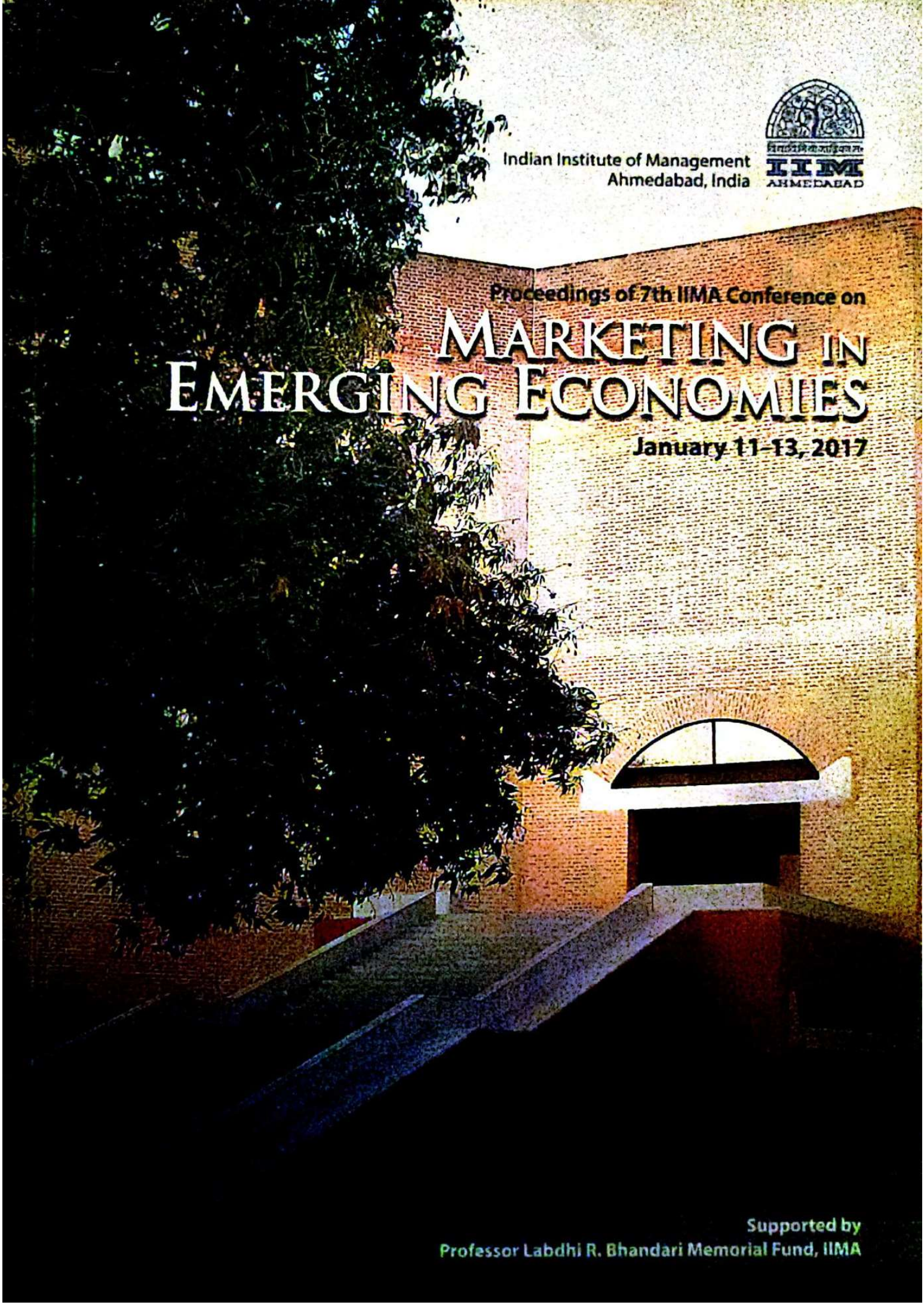
Literature reveals that abundant research has been done on mobile banking, however, payment through mobile wallets received very little or no attention (Shin, 2009). The survey

*http://www.altimetrik.com/wisdometrik/mobile-wallets-market-opportunities-and-challenges/

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The 7th IIMA Conference on Marketing in Emerging Economies features contributions that cater to all areas of marketing. The proceedings include abstracts that readers might find useful since they are detailed and are structured to fit the requirements of a good read. A reading of these proceedings is expected to provide not only an insightful summary of the work being done in this area, but, more importantly, it would help generate new research directions. These could be picked up for any further work to improve upon the delivery of customer value by firms operating in emerging economies.

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Co-Recovery: Examining the Effect of Attributions, Trust, and Control

Radha Krishna B and Ankit Kesharwani

Abstract

Self-service technologies (SSTs) have been increasingly used by all the firms across the globe to meet the requirements of evolving customer. SSTs have gained prominence as they are helpful in increasing consistency, efficiency, and lower the costs (Dabholkar, 1996). SSTs such as ATMs, payment kiosks, web-based applications, mobile applications, and payment applications have gained prominence in recent years. Many studies have explored factors affecting customer usage of these self-service technologies (Meuter et al., 2005; Shin 2010; Koenig-Lewis et al., 2015). Despite proliferation of SSTs, they are not infallible as there is a risk of failure due to the absence of human element and standardized process (Meuter and Bitner, 1998). There have been multiple studies addressing service failure in offline service contexts but only few studies emphasized on online service and self-service technology failures (Harris et al., 2006; Dong et al., 2008; Zhu et al., 2013; Dabholkar and Spaid, 2012). Co-creation of service recovery has emerged as a new mechanism to address service failures in the SST context (Dong et al., 2008). However, there are limited studies addressing the effects of attribution in a co-created recovery and factors affecting loyalty post recovery. This study makes an attempt to explore the role of perceived trust in future SST usage, perceived control in future SST usage, and recovery satisfaction in shaping customer loyalty in co-created recovery setting.

Key Words: Co-created recovery, Attribution, Perceived trust, Perceived control

Introduction

Service failure in SSTs has been an area of importance for both researchers and practitioners as customer responses to service failure have wider implications for service firms in the digital era. Though service failure and recovery has been extensively studied in the offline contexts, it is limited in the context of online services. Harris et al. (2006) compare the service failure attributions in online and offline and find that customers blame themselves more for service failure in online and are more willing to have control in the recovery process. Thus, we can say that customer's role in online service recovery will have more implications for practitioners and researchers.

Grönroos (1988) defined service recovery as the actions initiated by a firm in response to a failure in service delivery. Recovery has been studied as a remedy to mitigate the effect of service failure in the services. Shift from goods dominant logic to service dominant logic has given new perspective to recovery literature (Dong et al., 2008; Roggeveen et al., 2012; Xu et al., 2014; Guo et al., 2015), where customers' active involvement in service recovery process has been identified as a major determinant of customer's behavioral and attitudinal

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ABSTRACTS

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Clash of the Titans: Ola VS Uber

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Abstract

"Platform economy" has attracted a great deal of public and academician's attention in recent times. The concept of sharing economy is as old as our human civilization. The earliest forms of human transactions involved bartering of goods and services without any monetary exchange. The dawn of Internet has helped us connect with people and content which otherwise would have been inaccessible. The internet has created pool of opportunities for marketers. The emergence of sharing platforms is changing the way traditional industries such as travel and transportation, food & beverages, accommodation and services conduct business, and is forcing the relevant stakeholders to re-evaluate their business models. The taxi aggregators such as Uber and Ola are experiencing robust growth. Since platform economy is based on technological innovations, it is going to play a significant role in lowering the carbon footprints, empowerment of ordinary people and also efficiency. Platform economy is certainly a powerful tool for building a social movement centred on lawful practices of sharing and cooperation in the production and consumption of goods and services. Platform economy played an active role in altering existing markets. Car rental services registered a handsome growth of 16% in recent past .This has led to a greater demand for these services in urban India. More customers were keen to take the car rental service to experience hassle free travel. The car rental market in India is flourishing with the creation of new projection as several international and national companies are entering the market in major cities. These companies are offering various services to travellers be it a chauffeur driven car, a special pick up service, corporate services

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and much more. The Indian taxi market is pegged at USD 9 billion (Rs 54,000 crores), of which less than 10% is organized. The cab business has emerged as one of the fastest growing businesses in the Indian transportation segment. In this paper, an attempt has been made to do comparative study of two of such taxi aggregators that have radically changed the way "the great Indian middle class" commutes daily. This paper focuses on the SWOT analysis of the leading car rental service providers Ola and Uber. The paper is qualitative in nature and based on secondary data collected from different sources.

Keywords: *Platform Economy, Startups, India's Taxi Market*

Introduction

The "sharing economy" (Platform economy) has attracted a great deal of public and scholarly attention in recent months. Platforms such as Airbnb and Uber are experiencing explosive growth, which, in turn, has led to regulatory and political battles. Since platform economy is based on technological innovations, it is going to play a pivotal role in lowering the carbon footprints, empowerment of ordinary people and also efficiency. Platform economy is certainly a powerful tool for building a social movement cantered on legitimate practices of sharing and cooperation in the production and consumption of goods and services. In order to achieve this, it requires democratizing the ownership and governance of the platforms. Platform economy played an instrumental role in altering existing markets.

For example, the ride-sharing market led by Uber. Ola and, has altered the taxi market. The sharing economy may also lead to new markets, such as the home-sharing market that Airbnb pioneered. Sharing economy firms are disrupting traditional industries across the globe. For proof, look no further than Airbnb which, at $10 billion, can boast a higher valuation than the Hyatt hotel chain. Uber is currently valued at $18.2 billion relative to Hertz at $12.5 billion and Avis at $5.2 billion. Ola valued at over $ 5 billion (approximately Rs.33, 058 crores). The rise of the "sharing economy" has created new competition across a number of industries, most notably hotels, through Airbnb, and taxis, through ride-sharing services like Uber, Ola, Lyft, and Sidecar. The rapid growth of ride-sharing has upended the taxicab industry, which is traditionally heavily regulated.

The Car rental business in India is growing rapidly at a (CAGR) of around 12% and is expected to be worth around USD 15 billion within next 5 years with the organized sector having almost 50% of this market. The organized sector distinguishes itself from the unorganized sector in terms of its service parameters such as quality of service, reliability, trained drivers, larger fleet size, monitored prices, etc. The challenge though remains to ensure a smooth and consistently reliable service standard for which fleet upgrade and induction of technology is critical. The growth of car rental in India has remained consistent and gradual, with organized players increasingly investing in luxury cars to cater the demands of their customers. The chief factors for growth in the rental market are rise in personal incomes, improved road infrastructure and increased volumes of both inbound and domestic tourists. The next five to ten years will witness a boom in the industry, which will outclass the old players present in this segment. Owing to this cut throat competition, the car rental companies are going an extra mile to ensure that every need of the customer is kept in mind. Apart from traditional car rental companies, there is a lot of direct and indirect competition on the anvil. With variations in the model of business, entry of new players varies from demarcated fleet to hourly rates to just being intermediary connecting

drivers with passengers. Some of these players neither own the vehicles nor maintain them, but only act as a marketplace. However, one will be able to be a long term player and benefit from operating a substantial fleet with a wide range of options. These options need to be centric to the needs and wants of the consumer and innovative enough to re-define their choice as well as ground transportation in India.

Literature review

Sharing economy is an umbrella term with a range of meanings, often used to describe economic and social activity involving online transactions. Originally growing out of the open-source community to refer to peer-to-peer based sharing of access to goods and services, the term is now sometimes used in a broader sense to describe any sales transactions that are done via online market places even ones that are business to business (B2B), rather than peer-to-peer. For this reason, the term *sharing economy* has been criticised as misleading, some arguing that even services that enable peer-to-peer exchange can be primarily profit-driven. However, many commentators assert that the term is still valid as a means of describing a generally more democratized marketplace, even when it's applied to a broader spectrum of services. (Wikipedia)

The sharing economy may take a variety of forms, including using information technology to provide individuals with information that enables the optimization of resources through the mutualisation of excess capacity in goods and services. A common premise is that when information about goods is shared (typically via an online marketplace), the value of those goods may increase for the business, for individuals, for the community and for society in general.

Besides producing possible positive effects (Kostakis and Bauwens, 2014), the sharing economy calls into question established ways of organizing labor and commercializes personal life (Martin, 2016). Analytically, these dynamics involve processes of market change (Meyer et al., 2005) and of market emergence (Fligstein, 2013), as well as intended and unintended consequences (Merton, 1936). In particular, the unintended consequences are drawing increasing interest from policy makers.

So far, empirical studies have not addressed these dynamics of the sharing economy explicitly. They have instead focused on aspects such as the antecedents of sharing and motivations for it (Bucher et al., 2016; Hellwig et al., 2015; Lamberton and Rose, 2012; Möhlmann, 2015;

Piscicelli et al., 2015), competition (Cusumano, 2014), and the governance of users (Hartl et al., 2016; Scaraboto, 2015). These efforts have been particularly helpful for understanding the business models of organizations in the sharing economy (sharing economy organizations

for short). These organizations operate a digital platform that allows individuals to share resources.

Objectives

1. To analyse the SWOT analysis of the Ola and Uber

2. To understand the strategies of Ola and Uber

OLA

There is a great deal of public and scholarly attention towards Platform economy. Platforms such as Uber and Ola are experiencing explosive growth. Since platform economy is based on technological innovations, it is going to play a crucial role in lowering the carbon footprints, empowerment of ordinary

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people and also efficiency. In recent times many players entered in car rental business offering efficient and economical cab service to the citizens operating urban and rural lifestyles. India seems to be going through a probable Taxi revolution.

ANI Technologies Pvt. Ltd., which owns brand Ola, is an Indian online transportation network company. Founded as an online cab aggregator in Mumbai, Ola is now based in Bengaluru.

Ola cabs have completely revolutionized the way India travels and are known for its convenience, efficiency. Founded on 3rd December 2010 by Bhavish Aggarwal (currently CEO) and Ankit Bhati, Ola, as of 2014, had expanded to a network of more than 200,000 cars across 100 cities. In November 2014, it expanded to incorporate autos on-trial basis in Bangalore. After receiving favourable response Ola Auto has expanded to other cities as well like Delhi, Pune, Chennai and Hyderabad and Kolkata starting December 2014 while in December 2015, Ola expanded its auto services in Chandigarh, Indore, Jaipur and Guwahati, Visakhapatnam.

Ola provides a variety of cab services to its customers ranging from economic to luxury travel. The cabs can be booked through a mobile app. It supports both cash and cashless payment options with Ola money. Ola claims to clock an average of more than 150,000 bookings per day and commands sizeable of the market share in India. In November 2014, Ola also started auto rickshaw service through its mobile application in Bangalore, Pune and few other cities in India

UBER

Uber Technologies Inc. is an American worldwide online transportation network company, based in San Francisco, California, Founded as Uber Cab by Garrett Camp, the founder of StumbleUpon, and Travis Kalanick in 2009.The customers can book the cabs through their mobile apps. Uber provides its cab services in 66 countries and 545 cities worldwide. The Uber application automatically calculates the fare and transfers the payment to the driver.

Following a beta launch in summer of 2010, Uber's services and mobile application officially launched in San Francisco in the year 2011. Initially, Ryan Graves was appointed as CEO, however, Kalanick replaced him in the role later that year and Graves stepped down to become the company's COO. Uber also provides different cab services for different segments of customers ranging from economic and luxury travels.

Swot Analysis

OLA

Strengths

- Grabbed the First mover advantage as a taxi aggregator in India
- Acquired Taxi For Sure which made it No. 1 in India
- High awareness among public due to aggressive TV, online and print media marketing techniques.
- Large customer base
- Rapidly expansion
- Multiple rounds of venture capital investments

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Weaknesses

- Drivers are the face of the company and hence their misconduct directly affects its brand image
- Monetization is very difficult as the demand is huge, amount of cash burning is huge

Opportunities

- High market potential
- Increasing internet penetration &Smartphone users
- Rising disposable income of the people
- Growing demand for hassle free drive
- Acquisition of smaller players in the market.

Threats

- New players entering the market.
- Strong competition from Uber
- Lack of government regulations in developing countries.
- Low Customer loyalty

Uber

Strengths

- High brand equity
- Low Operational cost is quite low.
- Very little competition.
- Dual rating system boosts safety and trust.
- Flexible hours for drivers
- Lower prices as compared to traditional taxi operators.
- High valuation of Uber encourages many people to invest in it.

Weaknesses

- Easily imitable idea
- Ethically questionable between Uber and the drivers. It is expected that loyalty between Uber and its drivers is quite low as it lacks real connection.
- Unattractive incentive structure for drivers

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- Cost of operating vehicles is very high.
- There are privacy concerns.

Opportunities

- Increasing demand for well- known cab services.
- Growing markets in suburban
- Growing demand for tension free driving

Threats

- Low-profit margins cause dissatisfaction among the drivers.
- Increasing competition will eventually decrease prices. This will discourage drivers from joining the start up in new markets, resulting in loss of customers. Ultimately Uber's revenues will decline.
- Self-driving cars, e.g. Google Cars, can probably eliminate the need for Uber.

Special programs by Ola and Uber

The two giants Ola and Uber have floated various special programs to woo the customers.To get drivers on board Ola offered Ola Pragati is an initiative. The initiative helps drivers to avail a car loan from SBI and drive for Ola. The best performers are called as OlaStars and are further awarded additional benefits such as fuel subsidy, cash back and scholarships for their kids.

The US giant Uber also followed a similar initiative called Uber Dost and also runs loan melas (fairs) to attract new drivers. Their rewards include free insurance, benefits on health, education subsidy for kids, etc. Both the companies offered different sizes of cars that offer different slabs of fares. On March 3, 2016, a new category was introduced by Uber under bike taxi services and Ola launched the same within 24 hours. Other examples may include introducing auto rickshaws and cab pooling. Uber offers a lot more options in terms of mode of payment to the customers as compared to Ola. Uber gives the option to pay via Paytm wallet, Airtel wallet, cash, debit & credit cards. Ola introduced its own wallet Ola Money and also gives the option of paying via cards and cash.

Even though both companies have similar products/services and fares, they have individually adopted different strategies for long-term growth. Ola decided to expand to more than its current 102 city radius; on the other hand, Uber wants to go deeper in its current radius.

Price wars

Recently, both the companies have unfolded concrete price war which caused a windfall for consumers and upped the stakes for investors. In November 2015, Ola raised $500 million more in response to Uber's high-handed presence and hence launched a new category called Micro in March 2016 which was even cheaper than UberGO; priced at Rs6 per km.

Afterwards, Ola claimed micro as a category to be bigger than Uber's entire Indian business as a response to Alexander's boast .According to multiple industry executives, Ola's claims on Micro are unsubstantiated but the category has transformed the company's fortunes, at least for now.

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In an effort to match Uber's spending power, Ola has already raised about $1.2 billion from investors so far but needs to gear up to give actual competition to Uber's spending power.

Uber has already raised $3.5 billion from Saudi Arabia‟s Public Investment Fund and is likely to raise another $2 billion in leveraged a loan, as reported by The Wall Street Journal in June.

Heavy investments

Indian player Ola raised another $300-400 million. RNT Capital Advisors owned by Ratan Tata and existing investor Falcon Edge Capital invested Rs670 crore in Ola in the funding round in which the cab aggregator raised Rs1,675 crore from SoftBank Group Corp.

American cab-hailing app company Uber decided to invest another $1 billion (around 6,688 crore) in India to outpace Bengalure-based rival Ola, as the company looks to expand operations in new markets, increase fleet size, subsidise rides and incentivise drivers. This is in addition to the $1 billion that Uber founder Travis Kalanick had promised to invest during his India visit in January. Uber announced a pact to sell its China business to local rival Didi Chuxing for an ownership stake of 18% in the combined China entity, valued at $35 billion, with Didi also buying a $1 billion stake in Uber.

Conclusion

India’s major attractiveness lies in its market size and bigger purchasing power resulting in uplifting lifestyles. Indian consumers are smart, highly demanding and price-sensitive with no brand loyalty; managing such market is not an easy task. Companies need to constantly design new packages and offers to draw the customers for long which at times result in a lot of cash burn. Therefore, it would not be that easy for both the companies Ola and Uber to operate in such an environment. They have to optimize their costs at all levels; need to be more customer-centric & target-oriented; highly innovative; resistant to pressure from the regulatory authorities and above all keep delighting their customers as a customer is the king.

These two giants in car rental service industry must craft most attractive strategies to strengthen their position in the highly lucrative Indian market.

Limitation

- Since, this study is only confined to SWOT analysis about Ola and Uber.
- The time constraint has been a major limitation of this study.
- The study is limited to Ola and Uber only and result may vary if study is conducted for other companies.

Scope for future research

The present research has considered only SWOT analysis of Ola and Uber , research can be done other car rental players .The study can also be done on competitive analysis of leading car rental service providers.

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ICSC 2017

Organized by IFHE HYDERABAD, IBS HYDERABAD

International Case Study Conference 2017

October 5- 7, 2017

Vijayudu Gnanamkonda

Presented the Case titled

Uncertainity on Investing on Rural Sales: Hyundai Motors India Ltd.

in the ICSC 2017
held at IBS Hyderabad

Debapratim Purkayastha
Conference Director

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Participation Certificate

This is to certify that Dr. Dwarakanath Siriguppi
of IBS Hyderabad participated
in the 1st International Conference on Rural Management (ICRM) organized at
Xavier School of Rural Management (XSRM), Xavier University, Bhubaneswar, India
on 23rd and 24th of November, 2017 by virtue of being the author/co-author of the research
submission titled Rural Marketing Strategies of Selected FMCG companies
which was accepted for ICRM.

Coordinator
International Conference on Rural Management
Xavier University Bhubaneswar

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Executive garment rental service – consumers' preferences

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Associate Professor - Marketing,
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Abstract

The research paper entitled "Executive Garment Rental Service–Consumers' Preferences" brings forth the market dynamics across fashion garments rental service for men.This being one emerging area, completely away from many of the traditional set ups an empirical study has been carried out. The main objective of the study is to understand the consumers' preferences towards 'Executive Garment Rental Service'. This study included online survey for collecting data. Statistical tools such as Multiple Regression, Cronbach's alpha were employed for analysis. It was found that the constructs 'importance of possession', 'convenience' and 'experience orientation' were significant. 'Price' and 'Trend' were found insignificant.

Keywords: *Garment rental service, Preference for non-ownership.*

Introduction

A new industry based on sharing or renting Garments, electronics and small appliances is evolving in recent years in India. Youth preferences for fashions on rental are screaming up. Fashion goes beyond just clothes. It can be extended to bikes, mobiles, shoes, jewelry and even how you style your hair. The fashions are linked with youth life style; it also mixed up with youth social life. Using smart phones, following western food culture, wearing branded clothes, having fun in their regular life, etc. set forth the trend of anonymous life style and self-expression. People are more specific in distinguishing themselves from others in garments usage especially in special occasions. It gives them a special recognition. They are also more specific on occasion based dress in. Katz, D. (1960) described that the attitudes serving a value-expressive function help people communicate their central beliefs, attitudes, and values to others through their possessions. Especially the youth are giving the most importance for

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Effectiveness of niche marketing strategy for SMEs

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Introduction

The Small and Medium Enterprises (SMEs) play a catalytic role in the development process of most economies as they constitute a major part of the industrial activity in these economies. This is reflected in the form of their increasing number and rising proportion in the overall product manufacturing, employment, technical innovations and promotion of entrepreneurial skills.

The contribution of SMEs in the development of Indian economy has been significant, both in terms of contribution to GDP and creation of employment opportunities.

When it comes to a marketing strategies, SMEs usually following mass marketing strategies and fight with the big MNC competitors. This paper is an attempt to suggest a right marketing strategies for SME's

Niche strategy

Though niche strategy is an acknowledged way of realizing better profits from the firm's resources and actions, its long-term viability is by no means ensured; the demand in the niche may diminish or even disappear, or the niche market may become attractive to broad-line firms and new entrants.

The argument that adopting a niche strategy will give the firm better than average profits has long been embraced by marketing scholars (Claycamp & Massy, 1968; Johnson, 1971; Kotler, 1994), but it became accepted as an important concept in business strategy when Porter (1980) defined it as one of the generic business strategies.

Since then, it has engendered a considerable amount of research (see, for example,Allen & Helms, 2006).

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International Conference on

sdmimd



Marketing in a digital world

CERTIFICATE

The Conference Committee certifies that

Dwarakanath Siriguppi

has participated in International Conference on Marketing organized by SDMIMD on 26-27 October 2017 and presented a paper titled

Clash of the Titans: Ola VS Uber

The paper was co-authored by

Vijayudu Gnanamkonda

Santosh Alreddy

Mukesh Kumar Mishra

Prof. Jayakrishnan S.
Conference Chair

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Role of digital marketing in the present era: a theoretical perspective

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Assistant Professor, Marketing, IBS
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Abstract

Digital Marketing (DM) is the promotion of products or brands through virtual environment by the deployment of Information Technology (IT). DM is a booming industry and mostly deals with the analytical part of a website and it requires focusing on the latest aspects of Digital Marketing like SEO, SMO, SMM, PPC, etc. Marketers are often seen as struggling to review the effectiveness of their campaigns. But digital technologies provide massive opportunities for more accurately measuring key metrics and seeing how marketing is affecting sales. Calculating the all-important ROI is only possible when we have accurate data on what is driving traffic and conversions.

The present paper is an attempt to explore the role and significance of Digital Marketing in the contemporary marketing context. It is based on review of pertinent literatures. This paper discusses digital marketing channels in brief. In future, researcher may carry out the study by selecting some of the Indian companies to get empirical evidence.

***Keywords**: Digital Marketing, Search engine optimization, Pay per click, web*

Introduction

In today's context, People are consuming more digital content daily – using their smart phones, desktops computers, laptops, tablets, and more. The thing is, companies need to recognize that they need to alter their marketing strategies and adapt the change. Digital Marketing (DM) is the promotion of products or brands through virtual environment by the deployment of Information Technology (IT). DM is a booming industry and mostly deals with the analytical part of a website and it requires focusing on the latest aspects of Digital Marketing like SEO, SMO, SMM, PPC, etc. In India, content is increasingly being consumed on hand held devices and OTT (Over-the-top) platforms as the current generation doesn't have the patience to wait for a show or movie to air on a linear platform like television, between

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Dr. Mukesh Kumar Mishra

Abstract

Entrepreneurship has gained greater significance at global level under changing economic scenario. The entrepreneurial skills are needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. After independence, several entrepreneurship development programs have been started to develop the skill, knowledge and competence among the entrepreneur. Despite various entrepreneurship development programmes launched by the Government and Non-Government agencies, the entrepreneurs are encountering several problems for establishing economically viable Small-Scale Units. As India consist of 65% youth which is the backbone of nation. Youths in the rural India have paucity of options. This is the reason that many of them either work at farm or migrate to urban land. Programs meant to reach youth entrepreneurs can succeed only if they take note of this paradox as well as of the financial and social conditioning that reduces the confidence, independence and to be a risk taker. Therefore, instead of just schemes, an intensive training needs to be provided to the youth and women in rural India and create an entrepreneurship training system as per integrated rural development program. Rural entrepreneurship is the answer to removal of rural poverty in India. Hence, there should be more stress on integrated rural development program. The problem is that most of the rural youth do not think of entrepreneurship as the career option. However, the rural youth need to motivate to take entrepreneurship as a career, with training and sustaining support systems providing all necessary assistance. This paper focuses of the identification of various problems associated with rural entrepreneurship. Suitable remedies have also been discussed to overcome these problems.

Key words: Rural Entrepreneurship, Small Scale Units, Rural Poverty, Training, Motivation

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Retail layout and design is surely a blend of science and art as the main basics that work to create a suitable layout for most retail outlets. Understanding that a retailer's idea is to satisfy consumer desires and wishes, it is essential to build a space that is appealing and visually tempting for the business to endure and succeed. This conceptual paper reviews pertinent literatures to comprehend various factors leading to retail store design and floor plan layout. The paper covers different components needed to be considered for designing a good layout for agricultural products.

Key Words: Floor layout, Atmospherics, store design.

MOBILE INTERNET – THE OBJECTIVE - A RURAL INSIGHT

Prof. Vijayudu Gnanamkonda
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The growing pace of telecom industry in rural India is enormous. The growth rate in rural internet usage is much faster than the Indian Urban internet users. The ease of mobile applications usage like YouTube, WhatsApp, Facebook, etc, motivated rural college going students, self-employed, vendors, small business people, and housewives. The social interactions and sharing information including videos are very easy through this mobile application. The new facets of the world are new to these people. They are looking at the external world, got surprised, astonished, wanted to see more and more. Some new kinds of experiences like money transfers through Paytm, sharing personal videos in WhatsApp etc, given a thrill to them.

This research work has taken up to study the rural consumers' awareness towards internet, social media and its safety measures- sharing of OTP etc., To understand the motives behind their online payments, and to analyse the usage of internet and internet purchase from various telecom providers.

Methodology

The study followed 'purposive sampling' method to select rural sample. The research design is to engage the respondents with political and development talk of their place and observe the rural people the way they use their mobile for information search, watched videos, and mobile payment. Hypothesis were drawn on previous literature. Regression analysis used to analyse the relationship between the dependent variable (internet usage) independent variables (telecom providers, income, mobile model, usage pattern- family usage or individual usage).

The research findings

This study has clearly shown the consumption pattern of a mobile internet is vary from a college student to small business people and family users. This study also has shown the value definition for internet, differing among different users of rural India. Most of the internet users in rural India may not have the precise objectives towards the internet usage rather than mobile talk time. Family head is purchasing mobile internet being his/ her children demanded it.

Limitations and Management Implications are monitored in full paper.

THE PARADIGM SHIFT FROM MDGS TO SDGS: AN ANALYSIS ON LIVELIHOOD OPPORTUNITIES & SKILL DEVELOPMENT OF INDIA

Mr. Swayam Siddha Satpathy
Dr. Mukesh Kumar Mishra
Dr. Nancy Satpathy

Abstract

In the year 2000 major world leaders of United Nations united together at UN conferences & summits at New York to adopt United Nations Millennium Declaration. The committee put hands together to reduce extreme poverty & set out eight-time bound targets to achieve by the year ending of 2015 which is popularly known as Millennium Development Goals (MDGs). MDGs: 8 Goals, 21 targets & 60 indicators had not included to improve people's livelihood. Sustainable Development Goals (SDGs) which comes to picture just after MDGs comes to an end. SDGs: 17 Goals, 169 targets &232 indicators, universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. This study emphasize Goal no. 8 in Indian scenario, which focus on decent work & economic growth came up with the theme to transform economics for jobs , inclusive growth and to create stable growth that improve all people's livelihood. India is striving to improve livelihood opportunities & various skill development program have been launched by Ministry of Rural Development, Ministry of Labour & Employment, Ministry of Women & Child Development, Ministry of Skill Development & Entrepreneurship & many more since 1978 for economic growth. This paper aims to analyse the effectiveness of various scheme run by govt. of India for improving livelihood opportunities.

Keywords: Government schemes, SDGs Goal & Skill development

SUSTAINABLE DISTRIBUTION CHANNEL FOR RURAL MARKET

Dr. Mukesh Kumar Mishra
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Abstract

As sustainable marketing meeting current needs in a way that preserves the option of future generations of business, findings of this research are company should always design futuristic distribution channel, way forward for future revenue generation should be crystal clear in existing channel setup. Sustainable distribution channel should always have scope of customization in channel design. In rural market innovative rural distribution channel is key to sustainable business. The purpose of this paper is to explore best practices in distribution channel and set a benchmark for those who trying to design sustainable distribution channel. Secondary data analysis is done after reviewing various literature of FMCG companies like HUL, Dabur, ITC and Patanjali. This paper will provide a direction to company looking forward to design sustainable distribution channel. Findings of this research will help companies looking for futuristic distribution channel.

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Dr. Vijayudu Gnanamkonda
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Limitations and Management Implications are monitored in full paper.

LEARNING BEHAVIOUR OF RURAL CONSUMER TOWARDS SHARED ECONOMY

Dr, Vijayudu Gnanamkonda
Dr. Dwarakanath Siriguppi

Abstract

Sharing of things is not new for rural consumers from barter system to present days. The cooperation among rural people is much better than the outer world because of their personal relationships, trust on each other, and amicability. The recent success of Paytm in mobile payments in rural India is one of the best example for the success of sharing economy in rural India. Some new start-ups started a new business to make available of on-line marketing / shopping for rural consumers in the way of Paytm and other mobile applications. This study carried out based on some realistic mobile applications/ companies which are providing a sharing economy platform for rural consumers in India. The main objective of this paper is to create awareness about platform economy and to analyse the mediators (platform) and their business models. This is an observation research paper followed by understanding the learning behaviour of rural consumers towards sharing economy, to trace the adoption process of new products, the myths of rural consumers towards intangible transactions and consumers trust on mediators. The field study is to delve deeper into the psyche of the rural consumer by carrying an on-field research at the grass root level using various research tools – both quantitative and qualitative. Factor analysis is used for understanding the factors influencing the rural consumers. The findings of the paper the older age people don't have their belief on these kinds of applications, not interested even to have a smart phone or mobile transactions. Rural youth seem to know a few platform businesses by name but lack of understanding of its benefits. They prefer the product/ service be tangible.

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Hyderabad

Education : An Ennobling Influence
Gopal Krishna Gokhale
GIPE PUNE

CERTIFICATE OF PARTICIPATION

Certified that ..Dwarakanath Siriguppi, Asst Professor. IBS Hyderabad.....

presented a paper titled....Role of RBI in financial Inclusion and Economic Development.....

.....

Jointly authored with.....G. Vijayudu.....

.....

.....on 15.12.17 , in the *13th International Conference on Business and Finance 2017,* conducted by IBS Hyderabad from December 14-15, 2017, in collaboration with Gokhale Institute of Politics and Economics, Pune

Hyderabad
15.12.2017.

Conference Co-Chair
GIPE PUNE

Conference Chair
IBS Hyderabad

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Competency Mapping among Male and Female for the use of Social Media: A Comparative Study

Dr.Sourabh Sharma, Associate Prof., IMI, Bhubaneswar
Dr.Megha Sharma, Assistant Prof., RCM, Bhubaneswar

Abstract: Today's time has seen the rise of the social media channels such as Facebook, YouTube, Google, and Twitter, which encourage customers to take a more active role as market players and reach almost everyone anywhere and anytime. Although there is a difference in usage pattern of these media channels by male and female. This paper introduces a new "Competency Mapping" framework of the use of new media by male and female. This paper has identified five social media competencies viz technical competency, visibility awareness competency, knowledge competency, impact assessment competency and social media communication competency. Researcher has tried to map these competencies to make a comparative study of the use of social media among male and female.

Keywords: Social Media; Competency mapping; technical competency; visibility awareness competency; knowledge competency; impact assessment competency; communication competency.

Customer motivations and resource contribution towards sustainable development

Ranjit Roy Ghatak,AssociateProfessor,IMI Bhubaneswar

Abstract: To truly pursue sustainable business development, the underlying dynamics and influential themes for sustainability has to be understood. However, this area remains characterized by limited theoretical knowledge and practical application. Acknowledging and incorporating stakeholder's skills and competencies can enable businesses to serve them more efficiently and effectively. Sustainable business can be co- created by working together with the various stakeholders while meeting expectations that companies promise. This article aims to determine the various roles played and resources contributed by customers in sustainable business development. This study looks upon the various forms and opportunities of sustainable development from the customer's perspective while elaborating on the various resources contributed by the customer and presents a conceptual framework of sustainability. Both academics and practitioners could learn from behaviors displayed by customers in each of their roles and manage them accordingly.

Keywords:Sustainability,value,Co-creation,Stakeholders,Customer contribution

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Governance in Social Sector

Dr.Mukesh Kumar Mishra, ICFAI University
Swayam Siddha Satpathy,Birla Global University
Pabitra Kumar Sahu,Ravenshaw University

Abstract: Good governance in social sector can be done replicating good practices done by other states. This paper analyzes some good practice done by state government in social sector. This paper also analyzes replicablity and feasibility of good practices. Government should adopt those successful practices for the welfare of public.

Keywords: public health,Public Distribution System, Malnutrition

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Nexus between Monetary and Fiscal Policies in India: Role of Central Bank and Government

ChinmayaBehera, Assistant Professor, GITAM University
Biswashree Tanaya Priyadarsini, Lecturer, RIMS

Abstract: Fiscal and monetary policies are macroeconomic stabilization tools often used independently to anchor the uncertainty in any given economy. Studies across economies find that both the policies complement each other. The prime objective of this study is to examine nexus between monetary and fiscal policies in India. Four major variables such as output gap, gross fiscal deficit, inflation and repo rate are taken into the consideration for the study. Quarterly data set from 2001-02Q1 to 2016-17Q4 are obtained from the Reserve Bank of India data base. Using Vector Autoregressive (VAR), Impulse Response Function (IRF) and Variance Decomposition techniques, the study finds

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A Study on Platform Business Model: Paytm

Mr. Pabitra Kumar Sahu (Research Scholar, Ravenshaw University)
Dr. Mukesh Kumar Mishra (Associate Professor, IBS Hyderabad)

Abstract: The way Start-up is booming in current market, create a challenge for entrepreneur and thus making innovation as inseparable entity from entrepreneurship. This innovation way in business ultimately, leads to the economic and regional development of the country. Entrepreneurship with innovation can be in terms of introduction of new product or service, new methods of doing work, introduction of new technologies, and an entrepreneur conducts his work in a new and better utilization of resources within his financial limits. In India E-Commerce carries its own importance in the corporate world due to the effect of globalisation. Significance of E-Commerce further extends in India due to the advent of "Digital India" campaign. While a linear business creates value by manufacturing products or services, platforms create value by building connections and "manufacturing" transactions. However to run recent business firm, we need to integrate of the resources which help for cost minimization and enhances ease of doing businesses at market place. Platforms can now facilitate the exchange of value produced by decentralized networks of individuals. The result is that today's platform businesses are able facilitate exchanges at an unprecedented scale. The present paper focuses on the concept of strategic business innovation can be done through the integration of resources, building networks and sharing information. This paper also covers the example, that how PayTM generate revenue from its strategic business integration.

Keywords: E-commerce, PayTM, Platform business, E-Wallet, business integration.

Digital Money: Security Threats in e-Transactions

Aakansha Vyas, College of Engineering and Technology
Anand Sharma, Mody University of Science and Technology

Abstract: Digital money is a record of the currency, accessible by a consumer, stored on an electronic device which is in his or her possession, either on a prepaid card or on a personal computer for use over a wide network of computers for instance, the Internet. The development of information and communication technology influencing the area of retail payments. Digital money has the potential to take over from cash as the primary means of making small-value payments and could make such transactions easier and cheaper for both consumers and merchants. In this paper we will describe the tools of digital money, methods of electronic-transaction (e-Transaction) through digital money with their technical aspects and finally the security threats for e-transaction.

Keywords: Digital Money, e-transactions, Security, Demonetization.

Peerlend: Providing Peer to Peer Lending Solutions in India

Dr.Kanwal Anil,AssociateProfessor,Ambedkar University Delhi.
Dr.AnilMisra,AssociateProfessor,MDI, Gurgaon.

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Key Words: Organic food, Consumer Perception, Artificial Neural Network,

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Indian Startups Strive: Social Entrepreneurship And Innovation For Sustainable Business

Swayam Siddha Satpathy, Research Scholar,Birla Global University,sssatpathy22@gmail.com
Dr. Mukesh Kumar Mishra, Associate Professor,IBS Hyderabad,mmishra@ibsindia.org

Abstract: India ranks 14th by Thomas Reuters Foundation ahead of China (34th), Australia (26th), Brazil(40th) for the best country to be Social Entrepreneur. Social Entrepreneurship is heading in theright track & gaining momentum but still many roadblocks are observed & without innovation itwill be difficult to sustain in business for a long time. Many Indian startup have done fine-tuningto the existing model to serve the local needs. To name a few organization who have createdhistory across globe are Ola, OYO Rooms, Flipkart, PAYTM & many more. This paper aims tofocus on organizations like Greensole, OLX, Goonj&Jaagruti who make business out of usedgoods& waste. The organization used innovative techniques to reduce carbon foot printing,reuse& recycling of used products & to serve society with greater benefit to low income group.Social entrepreneurship resolve social inequities by using business models which revolvesaround low-cost products & services.

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Learning Management System (LMS) for Competency Development among Professionals through Academia – Industry Interface Platform

Dr. AtasiMohanty, IIT Kharagpur, India
Mr. SubrataNayak, IIT Kharagpur, India

Abstract: LMS a software tool has been primarily designed to manage user learning interventions, professional trainings; to provide access to online learning services for students, teachers and administrators; to develop and deliver educational and training courses; to monitor, evaluate and document /report the learning outcomes as well. It has got specific features starting from registration control to document management , multiple device access, preparing course calendars, students' engagement, assignment submission, tracking, assessment and testing to scoring / grade submission. In the present context of growing complexity in business environment, lack of skilled manpower, economic recession, job crash in IT sector the Government India's announcement of 'Make – in - India' and 'Start-up-India' programs appear to be strategic solutions for Indian employment market. But how to achieve this without proper integration, coordination and continuous engagements of academia and industry across the country (Globe as well). Hence, the 21st century's new pedagogy strongly advocates for using technology tools, knowledge partnership, deep learning skills and collective capacity building for enhancing HR effectiveness at every stage and in every sector. The present authors have chalked out a model for using LMS to improve academia- industry engagements for strategic HR activities, grooming competent professionals/leaders and total organizational/institutional effectiveness.

Key Words: LMS, Academia-Industry Interface, Competency Development

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Impact of Information and Communication Technology on Foreign Direct Investment Inflows in India

Suryakanta Nayak,School of Humanities, IIT Bhubaneswar
Dukhabandhu Sahoo,School of Humanities, IIT Bhubaneswar

Abstract: The aim of this paper is to make an empirical analysis of the impact of one of the latest technological advancements, i.e. Information and Communication Technology (ICT) on Foreign Direct Investment (FDI) inflows in India by using time-series data for the period 1991 to 2016. ICT is assumed to have impacts on FDI inflow which itself is a driver of economic growth. The regression analysis shows that the growth of ICT measured by mobile cellular density and internet density has significant positive impact on FDI inflows. The analysis of the data adjusted for autocorrelation through Cochrane-Orcutt estimation, finds that with every 10 % increase in mobile cellular density and internet density, FDI inflows increase by 1.2 % and 2.4 % respectively. This study suggests that policies must be made to develop ICT in India so that more and more FDI can be attracted resulting in growth of the economy.

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Exploring the Value Dimensions and Their Impact on Customer Loyalty in Indian Banking Services

Debajani Sahoo, Achyut Telang

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Open Access

Abstract

The purpose of the present study is to investigate the impact of the multiple dimensions of perceived value on customer experience metrics and loyalty. It also advances the concept of consumer value in the service industry, through modeling and measurement in service set up like banking. A web-based survey among 345 m-banking users was employed to gather data regarding the proposed set of constructs. A Structural Equation Modelling (SEM) technique was used to analyze the conceptual model and test the proposed set of hypotheses. The study results supported the fact that banking perceived value consists of five dimensions, such as Behavioral price, Monetary price, Emotional response, Quality, Reputation. The total configuration of these dimensions influences customer loyalty via the development of evaluation of customers towards banking services.

Keywords

Service Perceived Value, Customer Loyalty, Customer Service Experience, Banking Service, Indian Economy

1. Introduction

Customer perceived value over the years has gained a lot of importance from both academic community and practitioners due to its significant role in assessing consumer buying behavior [1] and for attaining a sustainable edge in the competitive market [2]. In fact, perceived value has become one of the critical business issues from the 1990s and continues to be one of the focal areas of research. Even though it has become a key factor of strategic management [3] and consumer behavior, due to the scattered and non-conclusive patterns of research

the marketing review

The effects of ad-context congruity on ad persuasion: A research framework exploring the moderating roles of consumer motives and argument strength

Achyut Telang, *IBS Hyderabad, India**
Debajani Sahoo, *IBS Hyderabad, India*
Sreejesh S, *Cochin University of Science and Technology (CUSAT), India*

Previous research in advertising has shown a substantial interest in studying the critical role of advertisement (ad)-context congruity as a topic of ad effectiveness. Studies show that both ad-context congruity and ad-context incongruity have an effect on ad effectiveness. However, less attention has been devoted to identify the process through which, and the conditions under which, these effects occur. The current study explores this topic following the Elaboration Likelihood Model (ELM) as a theoretical framework, and hypothesises that the effect of ad-context congruity on ad persuasion varies according to consumers' motives and the strength of the argument presented in the ad. Further, consumers' felt involvement with the ad will mediate the persuasion outcome. The study will make significant contributions to the advertising literature by incorporating importance of customer motive, argument strength, and felt involvement. The study results will also support marketers to better understand the ways to make their ads more effective and increase the persuasiveness of ads for e-magazines in this technology era.

Keywords Ad-context congruity, Consumer motives, Argument strength, Felt involvement, Ad persuasiveness

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Introduction

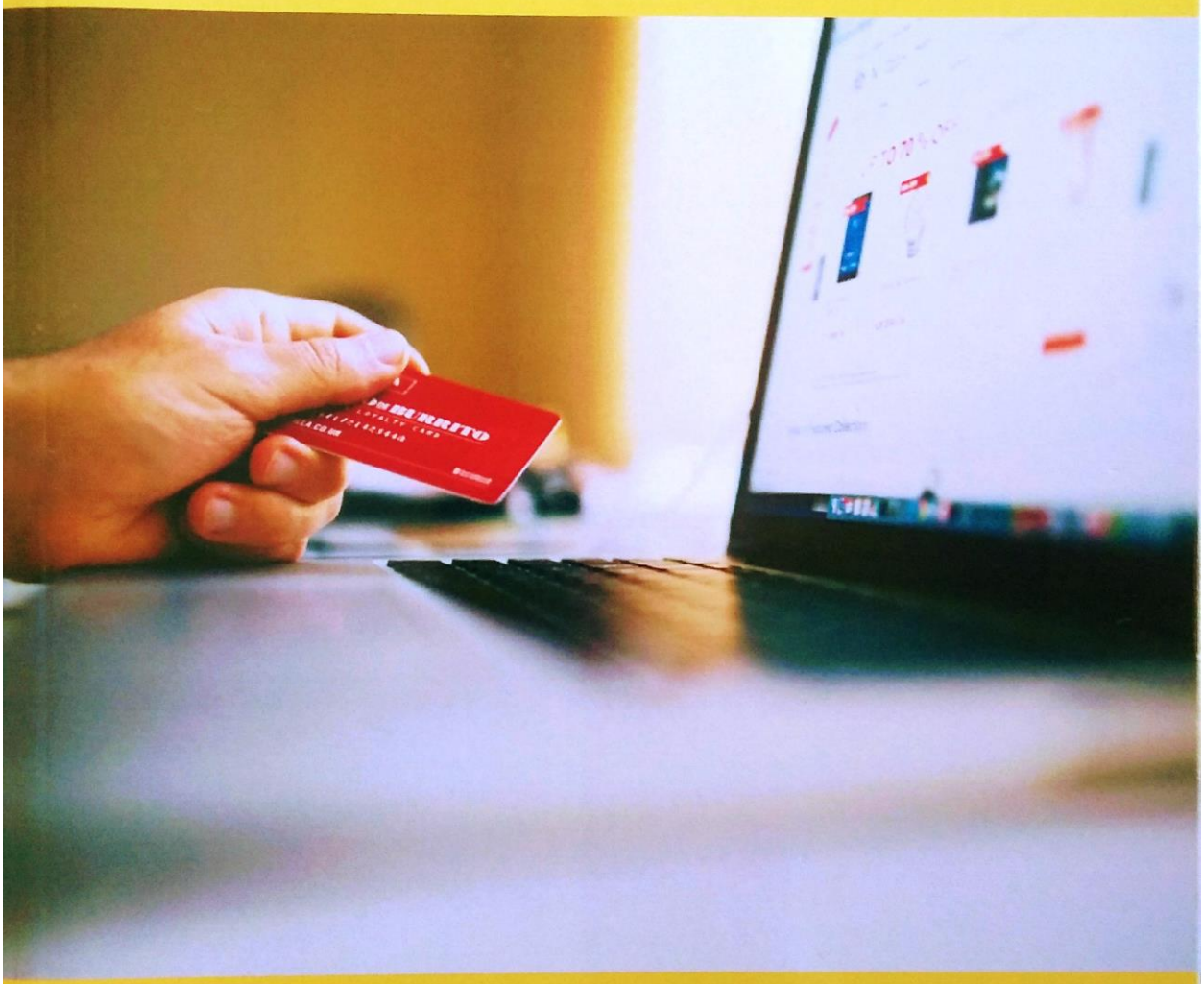
Along with the increase in digital media consumption through smart phones and tablets, there has been a proportional growth in digital advertising as well. The Indian digital sector has a 31% CAGR (Compound Annual Growth

*Correspondence details and biographies for the authors are located at the end of the article.

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17
CHAPTER

A STUDY ON IMPACT AND IMPORTANCE OF CASHLESS TRANSACTION IN INDIA

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Assistant Professor, IBS, Hyderabad

Dr. Vijayudu Gnanamkonda
Assistant Professor, IBS, Hyderabad
(IBS - A constituent of IFHE)

Abstract:

Cashless economy is a buzz word recent in times. This Research paper focuses on impact and importance of cashless policy in India. As per the Government of India, the cashless policy would raise employment; reduce cash related robbery thereby reducing risk of carrying cash. Cashless policy would also curb cash related corruption and attract more foreign investors to the country. It is found that; introduction of cashless economy has set the economy toward right direction in many countries. It is expected that its impact will be felt in modernization of payment system, reduction in the cost of banking service and also curb banking related corruption. Online banking will be made banking transaction to be less complex by bringing services closer to its customers.

The financial safety is a major challenge to be managed effectively to push the idea of the cashless economy. A major obstacle for the quick adoption of alternate mode of payment is mobile internet penetration, which is crucial because point of sale terminal works over mobile internet connection, while banks have been charging money on card-based transaction which is seen in hurdle. India has been using electronic payment system for many year now, However the retail sector still has predominance of cash transaction and payment through cash is yet to pick up card is the one of the most secure, convenient mode of cashless payment in retail market. The study attempts to examine the Impact and Importance of Cashless Transaction in India.

Keywords: *Cashless Transactions, Unified Payments Interface, Information Technology, Cashless Economy, Economic Growth, Electronic-payment*

Introduction:

The payment transaction in India has taken a new turn toward online payments. In the retail sector we have very high volumes of money transactions. Other than cash, one of the growing payment methods adopted by merchants in the sector is payment cards. Demonetization initiative taken by the Indian government on 8th November, 2016 is the driving force behind the enormous growth of online payments.

The healthy growth of e-commerce industry has played a very significant role in quicker adoption of electronic payments. Reducing Indian economy's dependence on cash is desirable for a variety of reasons. India has one of the highest cash to gross domestic product ratios in the word, and lubricating economic activity with paper has costs. The paradigm shift to cashless transactions would certainly open up new business opportunities for many companies.

Literature Review:

Cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid for through electronic media.

According to Alvares, Cliford (2009) in their reports –The problem regarding fake currency in

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NATIONAL SEMINAR PROCEEDINGS ON

Strategic Approach Towards Indian Foreign Policy: Issues and Challenges



RAMAIAH
Institute of Technology

Indian Council of World Affairs

Edited By

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Dr. Rizwana M
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SMART CITY: IOT BASED PROTOTYPE FOR PARKING MONITORING AND PARKING MANAGEMENT SYSTEM COMMANDED BY MOBILE APP

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Abstract: This paper introduces a prototype for IoT based smart parking system that attempts to automate vehicle parking system that leads to minimize vehicle parking problem. Traffic congestion caused by vehicles is an alarming problem at a global scale and it has been growing exponentially. Searching for a parking space and buying tickets for the ira parking from ticketing machines is a routine activity for many people in cities around the world. We propose a prototype that would monitor the parking spaces availability through the emerging Internet of Things (IoT) technology and automate the ticketing system from smart phones by mTicketing system.

Keywords - Parking monitoring, Parking reservation, Internet of Things (IoT), Smart Mobile App.

EICA104

SOFTWARE DESIGN PATTERN USING:ALGORITHMIC SKELETON APPROACH

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Abstract: In software engineering, a design pattern is a general reusable solution to a commonly occurring problem in software design. A design pattern is not a finished design that can be transformed directly into code. It is a description or template for how to solve a problem that can be used in many different situations. Object-oriented design patterns typically show relationships and interactions between classes or objects, without specifying the final application classes or objects that are involved. Many patterns imply object-orientation or more generally mutable state, and so may not be as applicable in functional programming languages, in which data is immutable or treated as such. Not all software patterns are design patterns. For instance, algorithms solve computational problems rather than software design problems. In this paper we try to focus the algorithimic pattern for good software design.

Keywords - Software Design, Design Patterns, Software esuability, Alogrithmic pattern.

EICA121

DETECTION OF CARDIOVASCULAR DISEASE BY RETINAL IMAGES

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Abstract: The eye is sometimes said to provide a window into the health of a person for it is only in the eye that one can actually see the exposed flesh of the subject without using invasive procedures. That 'exposed flesh' of course, the retina, and the light sensitive layer at the back of the eye. There are a number of diseases, particularly vascular disease that leave tell-tale markers in the retina. The retina can be photographed straightforwardly with a fundus camera and now with direct digital imaging there is much interest in computer analysis of retinal images for identifying and quantifying the effects of diseases such as diabetes. A retinal image provides a snapshot of what is happening inside the human body. In particular, the state of the retinal vessels has been shown to reflect the cardiovascular condition of the body. Retinal images provide considerable information on pathological changes caused by local ocular disease which reveals diabetes, cardiovascular disease and stroke. However, automatic retinal segmentation is complicated by the fact that retinal images are often noisy, poorly contrasted, and the vessel widths can vary from very large to very small. So in this, we can implement automate segmentation approach based on active contour method to provide regional information using Lebesgue measure.

Keywords - Retinal Images.

EICA122

SUCCESSFUL VIDEO DATA RETREIVAL USING MINING SCHEME

Dr.S.Vijaylakshmi,	**D.Saravanan,**	**Dennis Joseph,**
Faculty of Finance, IFHE University, IBS Hyderabad.	Faculty of Operations & IT IFHE University, IBS Hyderabad.	Faculty of Operations & IT IFHE University, IBS Hyderabad.

Abstract: Content-based video analyzing and retrieval are important technologies, which have been an international research focus in recent ten years. It is needed urgently the advanced technologies for organizing, analyzing, representing, indexing, filtering, retrieving and mining the vast amount of videos to retrieve specific information based on video content effectively, and to provide better ways for entertainment and multimedia applications. Although numerous papers have been published on data mining few of them deal with video mining is focusing on low features, such as color, texture, audio and motion. Due to the inherent complexity of video data, existing data mining algorithms and techniques cannot be used directly in video. In this paper we try to focus new mining techniques designed to facilitate the video data mining process.

Keywords - Video Data Mining, Histogram , Association Mining, Mining Frame work.

EICA123

AN EFFICIENT LOCAL SYNCHRONIZATION BASED ALGORITHM FOR DISTRIBUTED PEER TO PEER NETEORK

Dr.S.Vijaylakshmi,	**D.Saravanan,**	**Dennis Joseph,**
Faculty of Finance, IFHE University, IBS Hyderabad.	Faculty of Operations & IT IFHE University, IBS Hyderabad.	Faculty of Operations & IT IFHE University, IBS Hyderabad.

Abstract: The Peer-to-Peer (P2P) networks are finding and increasing number of applications. This paper considers the distributed K-means clustering problem where the data and computing resources are distributed over a large P2P network. It offers one algorithms which produce an approximation of the result produced by the standard centralized K-means clustering algorithm. Distributed K-Means Clustering algorithm introducing the Local Synchronization Based Peer to Peer Network Algorithm. The locally synchronous in that each peer synchronizes at each iteration only with its topologically immediate neighbors in the network. The algorithm works in dynamic P2P networks and is observed empirically to produce accurate clustering results with respect to centralized K-means clustering and it also give the highly accurate clustering results. It can provide analytical guarantees on this clustering accuracy. The local synchronization based peer to peer algorithm assumes that the network is static, with no changes during the runtime of the algorithm. Using statistical tools (ratio estimators), we provide analytical guarantees regarding the accuracy of clustering on a P2P network. Empirical results show that the algorithms demonstrate good performance compared to their centralized counterparts at the modest communication cost.

Keywords - P2P Network, Clustering, Peer Network Algorithm, K-Means Cluster.

EICA124

FINDING END TO END COMMUNICATION FOR DISCOVERY SYSTEM IN MANET USING ANONYMOUS SUPERNODE

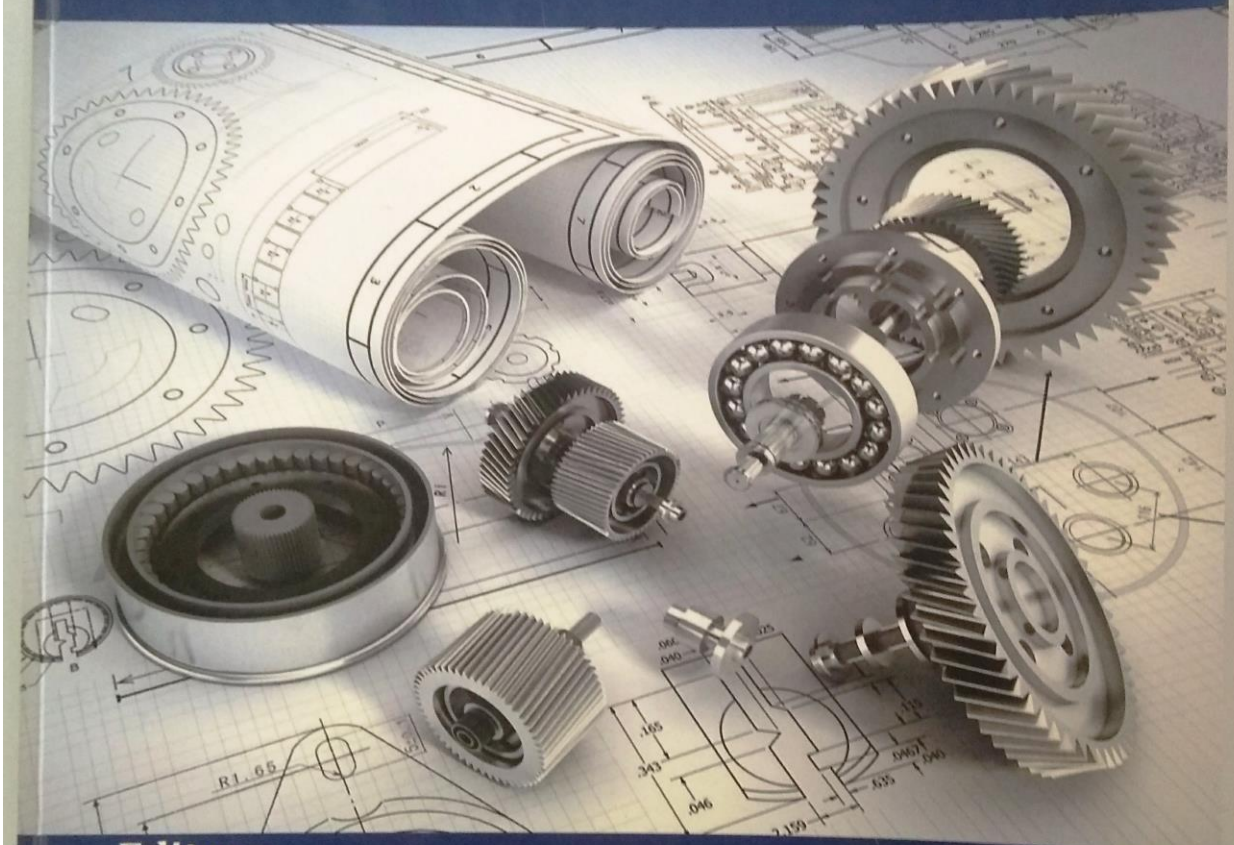
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Abstract: Many anonymity enhancing techniques have been proposed based on packet encryption to protect the communication anonymity of MOBILE AD HOC NETWORKS (MANETs). However, in this paper, MANETs are still vulnerable under passive statistical traffic analysis attacks. To demonstrate how to discover the communication patterns without decrypting the captured packets and present a novel STATISTICAL TRAFFIC PATTERN DISCOVERY SYSTEM (STARS). STARS works passively to perform traffic analysis based on statistical characteristics of captured raw traffic. STARS is capable of discovering the sources, the destinations, and the end-to-end communication relations. Empirical studies demonstrate that STARS achieves good accuracy in disclosing the hidden traffic patterns.

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on

"Transforming the Quality Paradigm to Achieve Make in India a Practical Reality"-A Seamless Approach



Editors

Dr. N.V.R. Naidu | Dr. P.V.Raveendra | Dr. Y.M. Satish | Dr. Rizwana M | Mrs. S.B.Rashmi

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Entrepreneurship Emerging Ecosystem and the Challenges

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Abstract

Entrepreneurship has gained greater significance at global level under changing economic circumstances. The entrepreneurship is playing a pivotal role for the growth of global economy and also Indian economy. True entrepreneurs are creative, passionate and driven to succeed and improve. These entrepreneurs always take the lead in meeting the challenges from various spheres. The focused entrepreneurs always work towards their dreams. An entrepreneur is a businessperson who not only visualizes and organizes ventures but also accepts risk. Not all business people are true entrepreneurs, it all depends on the level of leadership and innovation they exhibit and how much responsibility they carry, and how creative they become in executing their business plans. This paper focuses and provides an insight into the meaning, qualities required for an entrepreneur, emerging ecosystem and challenges faced by them.

1. Introduction

An entrepreneurial ecosystem refers to the social and economic environment affecting the local/ regional entrepreneurship. It can also be a group of companies, start-ups, and one or more coordination entities, which share similar goals and decide to form a network or organization in order to explore economies of scale. (Wikipedia)

Fostering entrepreneurship has become a core component of economic development of many nations. The predominant metaphor for fostering entrepreneurship as an economic development strategy is the "entrepreneurship ecosystem. (Daniel Isenberg, 2004)

2. Database and methodology

The study is based on secondary data. The secondary data required for the studies were collected from various books and publications related to the topic under study.

3. Challenges faced by new entrepreneurs

An entrepreneur has to face numerous challenges on the road to success. He/she always searches for change, responds to it and exploits it as an opportunity.

An entrepreneur is one who organizes, operates and assumes the risk of a business venture. The intensity of the challenge to promote an entrepreneurship culture as well as to evolve new enterprises in a sustainable and competitive fashion varies between countries. Starting a business and becoming an entrepreneur is exciting it is also terrifying. While starting a new business entrepreneur face so many challenges from emerging ecosystem. In order to conduct an efficient business an entrepreneur must overcome the challenges. The main objectives of the study are to identify the challenges faced by the new entrepreneurs and to analyze the measures to overcome them.

The following were the important challenges faced by new entrepreneurs.

i. Developing the Vision and Business Idea

Developing a business idea is usually the first challenge faced by every entrepreneur when starting a business from scratch. Finding the right business opportunity or creatively developing an idea is certainly not an easy task. An entrepreneur must have the ability to see what others cannot see. An entrepreneur must see opportunities rather than problems. But seeing opportunities is just the beginning. The main business challenge is going to be the ability to create that opportunity into a business

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THE NEXTGEN ENTREPRENEURSHIP EMERGING ECOSYSTEM AND THE CHALLENGES



S.F. Chandra Sekhar
K.V.S. Krishnamohan

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CHALLENGES IN SOCIAL ENTREPRENEURSHIP

Dr. Dwarakanath Siriguppi and Dr. Chakravarthi jsk

[1]Assistant Professor, ICFAI Business School, Hyderabad.

[2]Associate Professor, ICFAI Business School, Hyderabad.

Abstract--- *India has a long history of entrepreneurs and visionaries, who have promoted the entrepreneurship approach to achieve social good. This paper is related with emerging trends of social entrepreneurship in developing countries like India and its future prospects and challenges. This paper highlights on how development of social entrepreneurship can solve the problems of the society which is ignored by commercial and Government enterprises. Social entrepreneur like is Professor Muhammad Yunus founder of Grameen Bank has led a new path in the development of social entrepreneurship in developing countries. He was awarded a Nobel Prize in 2006 for his valuable contribution in social entrepreneurship. Commendable contribution by Professor Muhammad Yunus become motivating factor for modern day social entrepreneurs that emphasizes the enormous synergies and benefits when business principles are unified with social ventures. In countries like India, Bangladesh and other countries there are many challenges for the development of social entrepreneurs. Today, non profits and non-Government organizations, foundations and individuals also play a pivotal role to promote, fund and advise social entrepreneurs around the countries. A growing number of colleges and universities are establishing programs focused on educating and training social entrepreneurs.*

I. INTRODUCTION

"Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry"-Bill Drayton

NOW-A-DAYS the use of term social entrepreneurship is gaining increased popularity. Social entrepreneurship is the practice of responding to market failures with transformative, financially sustainable innovations aimed at solving social problems. It is a new breed of entrepreneurship that exhibits characteristics of non-profit, Government and businesses including applying to social problem solving, traditional private sector entrepreneurship's focus on innovation, risk taking and large scale transformation. While social entrepreneurship is not a new phenomenon, the field has experienced vast growth over the past 15 years. Receiving increasing recognition from journalists, philanthropists', researchers and policy makers as an significant and distinctive part of the nation's social, economic, and political landscape.

The terms social entrepreneur and social entrepreneurship were used first in the literature on social change in the 1960s and 1970s. Social entrepreneurship as a practice that integrates economic and social value creation has a long heritage and global presence. The global efforts of Ashoka, founded by Bill Drayton in 1980, to provide seed funding for entrepreneurs with a special vision(http://www.ashoka.org): the multiple activities of Grameen bank, established by Professor Muhammad Yunus in 1976 to eradicate poverty and empower women in Bangladesh(http://www.grameen-info.org): these are contemporary manifestations of a phenomenon that finds its historical precedents in, among other things, the values of Victorian Liberalism. The conviction of enlightened entrepreneurs, as some Victorian industrialists are referred to, to that there was a need to combine commercial success with social progress gave birth to industrial groups that used economic wealth for the good of the community (Bradley, 1987 Thompson, Alvy & Lees, 2000)

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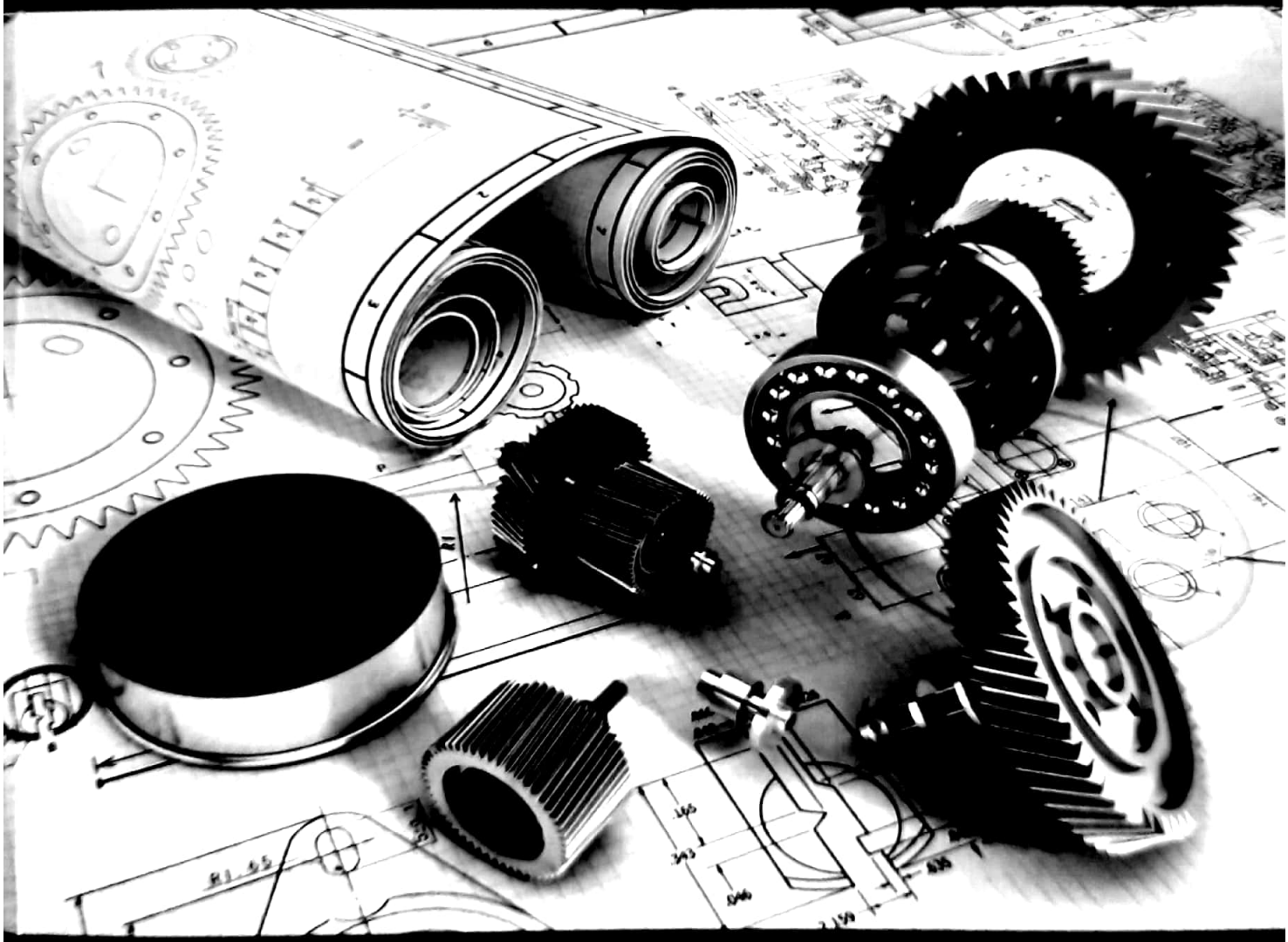
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Improved Set Partition Hierarchical Tree Algorithm for Video Zipping in Real Time Applications

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IFHE University, Hyderabad.
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ABSTRACT

This paper describes an improved video compression for Real time surveillance applications using Improved Set Partition Hierarchical Tree Algorithm. In the proposed system Improved Set Partition Hierarchical Tree algorithm is used to zip the video to track the moving object. This proposed motion detection algorithm comprises of motion detection of successive frames with background frame subtraction for efficient compression. The motion detection of sequential frames is used to detect continuous moving objects between two successive frames and remove it to form the zipped video. After the compression of the video, background subtraction of frame is used to detect moving objects in the current frame of the video. The proposed method is implemented and tested using some sample videos. The proposed system can be used in real time applications like Motion pixel Estimation, Video Surveillance, Weapon Storage Area and Atomic Research Area Surveillance, etc.

Keywords *— Background Deduction; Real time video compression; Video Compression; Video Zipping;*

1. LITERATURE REVIEW

There are unforeseen requirements for automated surveillance systems in commercial applications, Law enforcement and military applications. Installing video cameras is inexpensive, but finding accessible human resources to observe the output is costly. Although surveillance cameras are customary in banks, parking lots, and stores video data currently is used only as a forensic tool, thus losing its primary advantage as a dynamic, real-time medium. What is needed is round the clock monitoring of surveillance video to alert security officers to a theft in progress, or to an apprehensive individual loitering in the parking lot, while there is still time to prevent the offense. Apart from security applications, video surveillance can be proposed to measure traffic flow, monitor pedestrian congestion in public spaces, detect accidents on highways, compile consumer demographics in shopping malls, etc. The main aim of this research is to implement and verifies the SPIHT algorithm on video files, to compress the videos and to show how beneficial this will be while handling large video files. The key of this research work lies in the initialization and updating of the background image. The effectiveness of both will distract the accuracy of test results. Therefore, this research work uses an effective method to initialize the background, and update the background in real time. Sometimes problem may occur while applying the encoding, decoding, DWT, Background subtraction methods to the large size videos even though the video, that is the process may take much time for producing the output for the selected large sized video. To avoid this time consumption a method called compression is being carried out in this project. Compression is a method which is used to reduce the total size of the video which has been selected. The two main use of compression technique are namely, Reduced memory and Use of Efficient bandwidth.

Sometimes problem may occur while applying the compression, DWT, Background subtraction methods to the large size videos even though the videos are being compressed, that is the process may take much time for producing the output for the selected large sized video. While splitting the video into frames if the video size is large, more number of frames will be produced. While considering all separate frames for encoding and decoding process it will consume large amount of time. If the bandwidth is very low, great attention must be paid to cut down the bit rate of compressed video bit stream. The Frame Subtraction is generally tough to obtain a complete outline of moving object, liable to appear the empty phenomenon; as a result moving object detection is not accurate. Optical Flow method leads to: large quantity of calculation, sensitivity to noise, poor anti-noise performance, and makes it not suitable for real-time demanding occasions.

2. LITERATURE REVIEW

The objective of the Video Surveillance and Monitoring (VSAM) developed by the Defense Advanced Research Projects Agency (DARPA) was to progress automated video understanding technology in future urban and

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Time for Digital Economy - Demonetization Push in India Perspective

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4.0 Abstract

In 1994, Don Tapscott wrote the book "The Digital Economy: Promise and Peril in the Age of Networked Intelligence". This was the era when wireless was in its novice stage and therefore wireless telecom was not very popular. The networking was mostly a huge clutter of wires. The Google as a company was not started. However the author could see the future and with his wisdom brought the fall-back that could be possible in the form of perils in a networked economy. We now see the real impact for digital world. The other concepts that have its impact in contemporary world is also the Metcalf Law which states that the value of a telecommunications network is proportional to the square of the number of connected users of the system (n^2). So with the penetration of smart phones and computing devices the impact all around is an obvious process. One more concept that has been referred comes from Moore's law. This is out of observation made by Intel co-founder Gordon Moore in 1965. He noticed that the number of transistors per square inch on integrated circuits had doubled every year since their invention. Moore's law predicts that this trend will continue into the foreseeable future. This law is still going strong and we are able to make smart devices with enormous computing capacity in rather small size. On the other hand the cost of computing device when we calculate on the basis of per transistor, kept reducing and smart phone, internet and computing devices have been in the reach of common public these days.

India perspective in recent past has been one of the golden period when in technology management and leadership Indian have established themselves quite firmly. However in India's developing economy a huge change is more than visible with the kind of economic growth that has shifted to this part of the world. The slow but steady growth in India has huge impetus that has come from the recent demonetization that has seen lots of changes in banking and monetary policy of India giving a push towards less cash economy, if not cash less.

The chapter below would elaborate on the entire eco-system that has enhanced the demonetization kind of experiment taken up by Reserve Bank of India in recent past and has been instrumental in taking the digital economy forward in context of India.

4.1 Introduction

Digital is the paradigm shift that has been realized in various processes of economic importance. The vison from Don Tapscott, Metcalf and Moore has been extensive which got translated in Information & Communication Technology (ICT) for the benefit of its user which is increasing everyday with the increase of internet penetration and increase in mobile phone user base. Economical activities and financial service delivery has leveraged this in achieving its objective to avoid the financial isolation of a person at brink and bring him into mainstream. Social networking sites brought a new form of social inclusion which has a huge business impact and when the world is becoming one market out of technology, it is imperative to have financial inclusion through technology.

4.2 India's Economy

World economy Forum has placed India as one of the fastest growing in the world. India is 7th largest economy in the world as of now and with the kind of growth of 7.5 percent, it is expected to be the 5th largest economy in the world by 2020 based on GDP Nominal and it may even be the 3rd largest economy of the world by then based on GDP PPP as many economist feel that GDP per capita calculated on the basis of purchasing power parity (PPP) is a better measure of economy growth of a country.

4.3 Cost of Governance

India has its own uniqueness in many respects among the large economies in the world. Two unique things with India are Diversity and Democracy. Diversity again has various dimensions including culture, language, and religion, geographic and climatic. Also India is the largest democracy in the world which has a federal structure and multiple intuitional set-ups which supplement and complement each other as far as the governance of the country goes. India is vast nation and 2D's mentioned above adds a huge cost to governance. The challenge is complex in a situation of very large population where even though the fertility rate is constantly coming down from 5.9 in 1951 to 2.3 in 2011, and India is still likely to surpass the most populous country i.e. China by 2022 as per the UN estimates.

So the bigger challenge for the economy is to function and deliver its objective of providing the financial inclusion services to the last man at brink in a cost effective manner. In such environment the model of a centralized services centre in the form of Post-office in past, Bank

and then ATM cluster have been found to be in-sufficient and therefore technology disruptions by taking the centralized information and transactions to the individual customers is revolutionary not only in terms of efficiency, speed, transparency and accessibility but also the over-all cost of Governance is low in digital economy.

4.4 Government of India initiatives:

The following are few Government initiatives towards digital economy-

4.4.1 AADHAAR

A large population of India have been issued the 12 digit AADHAAR number after taking the biometric identity data, is a robust database with security duplication safeguards by Government of India. Started in 2009, the Unique Identification Authority of India (UIDAI) has policies to create and distribute the information that would provide necessary verification and validation for Government schemes to pass on the benefits to the last man in an easy technology driven interface.

Necessary legislations have been incorporated to allow the AADHAAR number to be used for availing Govt. subsidy transactions, identity documents to open bank accounts, getting passport, LPG and CNG facility and subsidy telecom sim cards and much more. AADHAAR number with e-KYC and mapping it with bank accounts & PAN Number has been in practice now.

4.4.2 Financial inclusion initiative by the Government

Frill free accounts (Fig 4.1) are for delivery of financial services at affordable costs to vast sections of disadvantaged and low income groups. Under the scheme one may produce an AADHAR card to open a bank account and if required an ADHAR card is issued there and then at the bank.

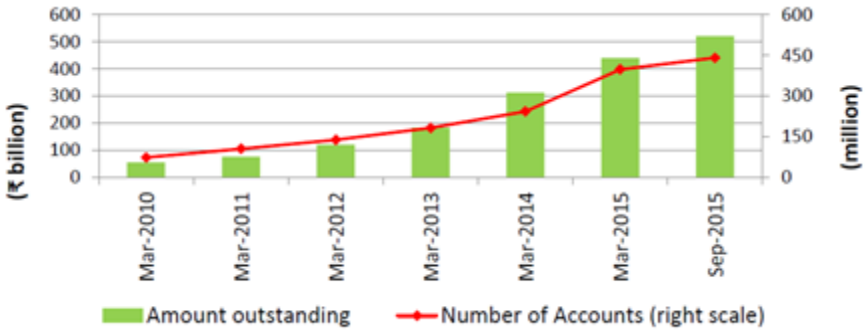


Fig 4.1 Progress in No Frills/Basic Saving Bank Accounts*

*Source: RBI Financial Inclusion Report – 2015

Basic Saving Bank Deposit Accounts (BSBDAS), Credit cards for Farmers (Kisan Credit Cards-KCC) and Artisans or Self-employed small scale entrepreneurs (General Purpose credit cards – GCC) has been the initiative of Government through RBI to instruct the banks to provide the financial services to a section which contributes in countries economy in a significant manner.

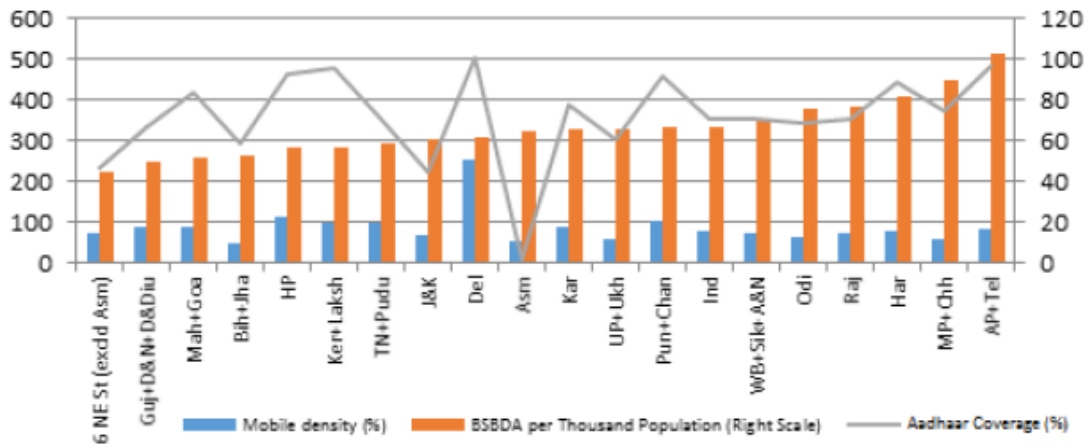


Fig 4.2: Mobile density, Aadhaar coverage and BSBDA accounts**

**Source: RBI Financial Inclusion Report – 2015

4.4.3 Goods and Service Tax (GST)

GST Bill a landmark legislation which is the co-operative and federal economy future in digital India. It will replace a complex, multi-layered and cascading indirect tax system to a single unified indirect tax system that permits tax set off across the value chain, both for goods and services. The GST will be a dual tax with both Central and State GST component levied on the same base.

Economic activities specially 'Make in India' for Manufacturing Sector and pan-India logistic services would have a huge positive impact which would unify whole India as one market and state economic activities would come in sync with centre government in a federal structure of the country. There are very bright chances that GST would be implemented in 2017.

Goods and Services Tax Network (GSTN)

As mentioned by Nandan Nilekani, in the report on "The IT Strategy for GST" that without a well-designed and well-functioning IT system, the benefits of GST will

remain elusive. Digitization of the whole chain is required in which a tax-payer can get its challans processed through its bank to settle the tax that would be having access to centralized GST Portal to transfer the tax to respective state and centre as per the GST norms.

GSTN is a special purpose vehicle organization (www.gstn.org) with equity from centre, states and financial institutions with responsibility to bring a common interface for all tax-payers that would provide all kind of algorithm to aggregate and resolve the centre – state share of tax collection. It would be faster automatic resolved distribution of tax collection with benefits of removing many tax related delays and complexities by having similar interface for PAN-India tax payers and centralized database for analytics reports.

Funds Flow

This online system is for Registration, Returns and Payments for the stakeholders like Taxpayers, Banks, RBI, State and Centre. State funds flows directly to states. Centre funds flows directly to centre and taxpayers have a single interface to interact concerning all the challans being processed. It would be in the benefit of taxpayers to enter the challan detail as he would get return from the previous chain to his account immediately.

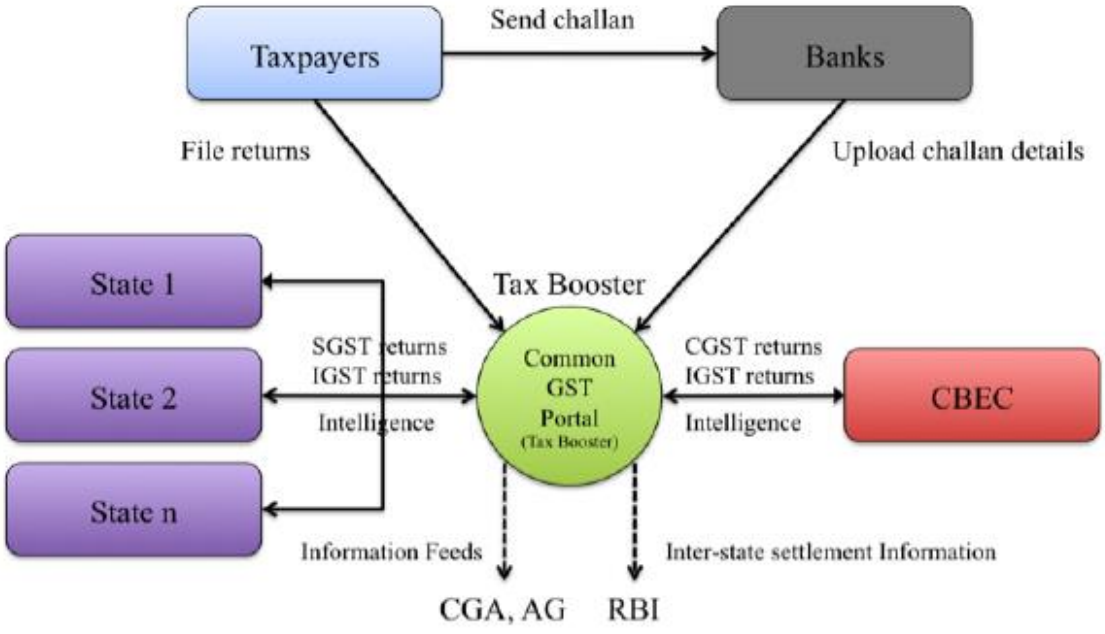


Fig 4.3: GST Fund Flow

Source: IT strategy for GST prepared by Empowered Group on IT Infrastructure on GST headed by Nandan Nilekani

4.4.4 Demonetization

On November 8, 2016, India Prime Minister Narendra Modi declared in an unscheduled live televised address at 20:00 IST that use of all ₹500 and ₹1,000 banknotes would not be a legal tender past midnight of 8th Nov itself.

The immediate need of demonetization, the government claim was fourfold-

a. An effort to stop counterfeiting of the current banknotes, Fake Indian Currency Notes (FICN) in circulation in the denominations of Rs.500 and Rs.1000 are larger as compared to those in other denominations. In this connection, it may be noted that while the total number of bank notes in circulation rose by 40% between 2011 and 2016, the increase in number of notes of Rs.500/- denomination was 76% and for Rs.1,000/- denomination was 109% increase during this period. According to press note of ministry of finance, use of FICN facilitates financing of terrorism and drug trafficking. The World Bank in July, 2010 estimated the size of the shadow economy for India at 20.7% of the GDP in the year 1999 and rising to 23.2% in 2007. A parallel shadow economy corrodes and eats into the vitals of the country's economy. It generates inflation which adversely affects the poor and the middle classes more than others. It deprives Government of its legitimate revenues which could have been otherwise used for welfare and development activities.

b. A crack down on black money in the country or what is called to end the parallel economy prevalent in the country. Parallel economy, based on the black money or unaccounted money, is a big menace to the Indian economy. It is also a cause of big loss in the tax-revenues for the government. As such, this money is also not accounted by the legal fiscal authorities of India and taxes are not paid on this money.

A few of those who constitute the major part of parallel economy and who are having a big stock such unaccounted money are –

i. Terror organization active in India
ii. Real-state organizations
iii. Political parties: Their funding is mostly opaque
iv. Fake NGOs spread across the country

c. The move was also described as an effort to reduce corruption. This at least could un-earth the huge trash of currency lying un-utilized. Though this is not seen a

permanent solution to stop corruption and corrupt practices, however it would certainly add to explore the entities where the Government agencies now can focus. It would definitely bring the pile up of a long time to main-stream up to some extent. The Indian Population where only less than 3% people file income-tax returns and among them very few pay tax indicates. Another data reveals that just few have taxable income, is in contradiction as a large number of cars worth 10 Lacs and above and many luxury cars are purchased every day in India. Further, India is the largest importer and market for gold. This is out huge corruption prevalent in the society. Out of demonetization such entities can be identified and tax can be levied with retrospectively.

d. A boost towards digital economy by having a less-cash economy if not cash-less by leveraging technology in practice. This is a blessing in dis-guise out of temporary setbacks that demonetization brought in economy. This would be in the form of promotion to digital payment. Various options are Unified Payment Option (UPI), e-Wallets, increased use of PoS terminal and Credit/ Debit cards and AADHAAR enabled payments.

A committee, under the leadership of NITI Aayog will identify and operationalize the user-friendly digital payment options in all sectors of the economy in India. To achieve expeditious movement into the cashless, digital payments economy across all States and sectors, it will engage regularly with Central Ministries, regulators, State governments, district administration, local bodies, trade and industry associations etc. to promote rapid adoption of digital payment systems. The attempt is to establish and monitor an implementation framework with strict timelines to ensure that nearly 80 per cent of the transaction in India moves to the digital-only platform. Emphasis of the committee is on more AADHAAR card be linked with bank account and transfer funds or withdraw cash using AADHAAR number and biometric authentication. This also would require mobile phones with in-built feature for biometric thumb impression and IRIS data collection.

Towards this objective, BHIM (Bharat Interface for Money) is a Mobile App developed by National Payments Corporation of India (NPCI), based on the Unified Payment Interface (UPI). It was launched as part of the 2016 Indian banknote demonetisation and drive towards cashless transactions. This UPI app supports all Indian banks which use that platform, which is built over the Immediate

Payment Service infrastructure and allows the user to instantly transfer money between the bank accounts of any two parties. It can be used on all mobile devices so that most people with mobile phone may be benefitted.

4.5 Impact on the Economy of going Digital

There is no doubt that the push provided by demonetization to the process of Digitalization will help the country and its people to maximise efforts in realising their potential. Digitalisation will provide the right platforms for connectivity and innovation, for empowerment and efficiency and bring integration and scale to the efforts of both the government and business to provide better products and services. The applications of AADHAR, Jan Dhan efforts, UPI and BHIM and also the GST and GSTN initiatives have made the Banking and Financial Services companies to be the frontrunners in adopting digitalization, however the next frontier is of manufacturing and supply chain and retail and healthcare and every aspect of the working of business and government. The adoption of digitalization will lead to major changes in the way we work. The changes can be discussed as:

4.5.1 Connectivity and efficiency

Today digital technology is inseparable from personal, consumer, business, employee, government and education activities. All these activities are linked and connected and lead to vast amounts of data and innovation that will lead to a transformation in the way we function. It will be easier to take this interconnectivity towards greater efficiency on the backbone of an efficient technology infrastructure. This will also lead to empowerment and innovation.

4.5.2 Transformation and redesign

Digitalisation will lead to all new approaches to transform and define new frontiers of how businesses and governments work. Digitalization will not be a wave but a trend and hence businesses and governments will have to undergo not just incremental but transformational change as the very definitions of processes and possibilities changes and enhances as more processes and systems get interconnected through digitalization. To achieve the focus to deliver the very best to customers it is essential that organisations rethink and redesign their core processes and systems to incorporate the new technologies. Organisations will have to think about real time automation and data management, analytics and proactive decision making, flexibilty and speed of delivery and most important about human resources.

4.5.3 Human resource and systems and data architecture

We would require highly trained manpower as along with taking care of the basic and monotonous work processes, automation has also started evolving into Artificial Intelligence and taking over more advanced work that earlier required human intervention.

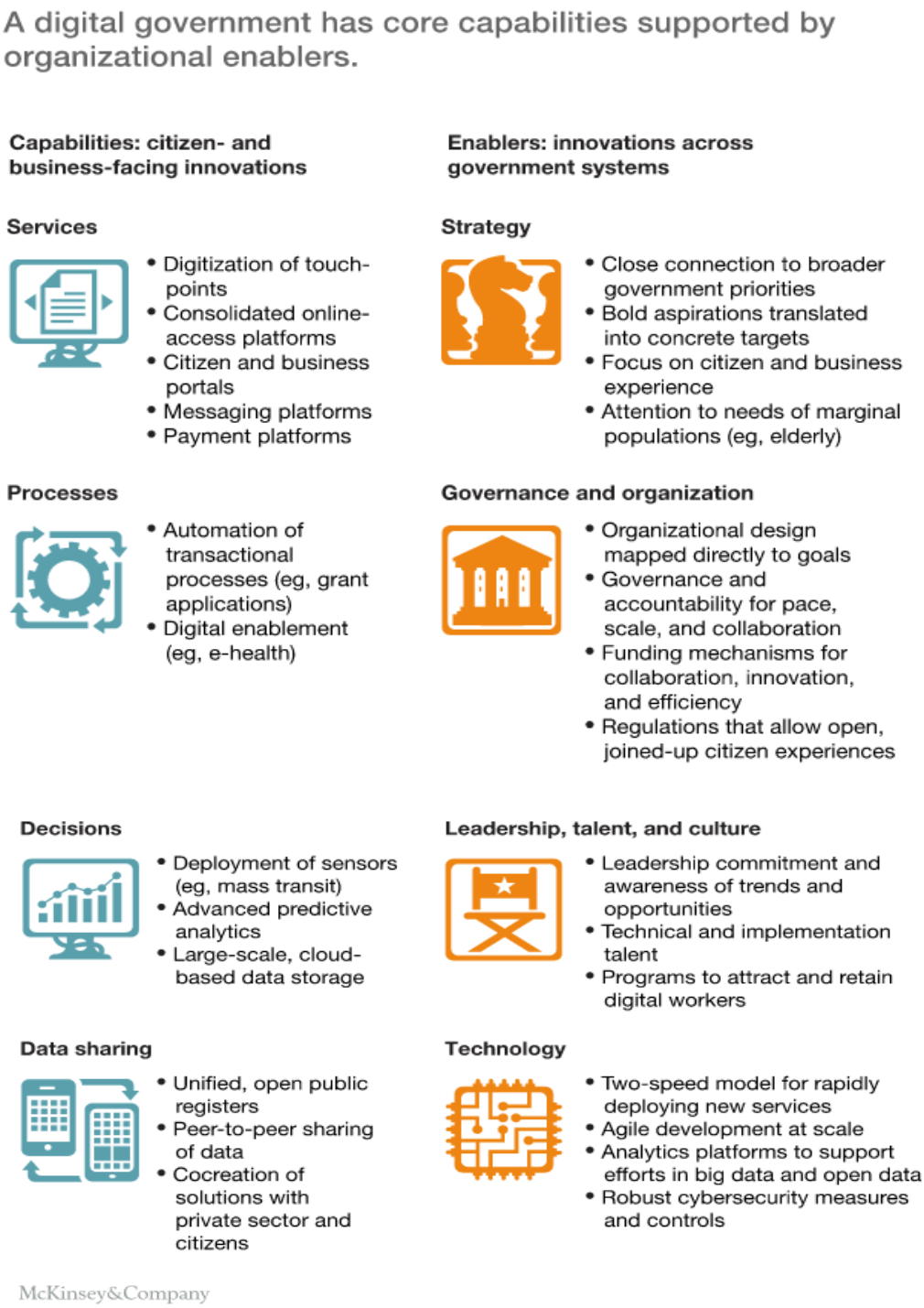


Fig 4.4: Digital Govt. Core Capabilities

Source: McKinsey & Company

This would require that human resources be trained to higher order skills to design and align these automations, which means reskilling people and their capabilities. Companies and governments will have to build connected IT architectures and networks and systems that provide consumers with seemless services and products.

4.5.4 Data management and predictive decision making

Digitalization generates huge amounts of data that will have to be stored, managed, analysed and used to make better future decisions. Without these capabilities the full potential of digitalization cannot be achieved. Software, system architectures, algorithms and modelling techniques will have to be implemented at each layer to achieve the highest efficiencies and effectiveness.

It is recognised that government can substantially improve it services and organisation for the citizens with the use of the digitalization processes. Listed below are some of the areas where the government can develop expertise.

4.6 Fall-back in the Digital Economy

Few are listed below-

1. The digital economy would be highly dependent on the availability of fast fixed and mobile connections, secure cloud services, affordable devices, innovative apps and available content. A valid question is being raised at world economic forum is about internet services which are growing at a massive rate would place huge strain on existing infrastructure and business models. Therefore the investments required to fulfil the digital agenda are daunting.
2. Spectrum: The world is possibly facing a "spectrum crunch". Cisco's Visual Networking Index forecasts that 19 billion wireless devices will be in service by 2017. Between now and then, mobile data traffic is expected to grow by 66 % annually. The most straightforward response, increasing network density, is costly, time-consuming and will result in disruptions for consumers.

   Therefore Governments have an opportunity to release more spectrums to mobile operators and more aggressively reallocate underutilized spectrum.
3. Other common fear in individual's mind is regarding loss of personal data, fake entries in the accounts, connectivity issues and confidence level. User worried about device

being hacked and attacked by viruses. These all need to be addressed with high uptime of infrastructure and good legal framework to support it.

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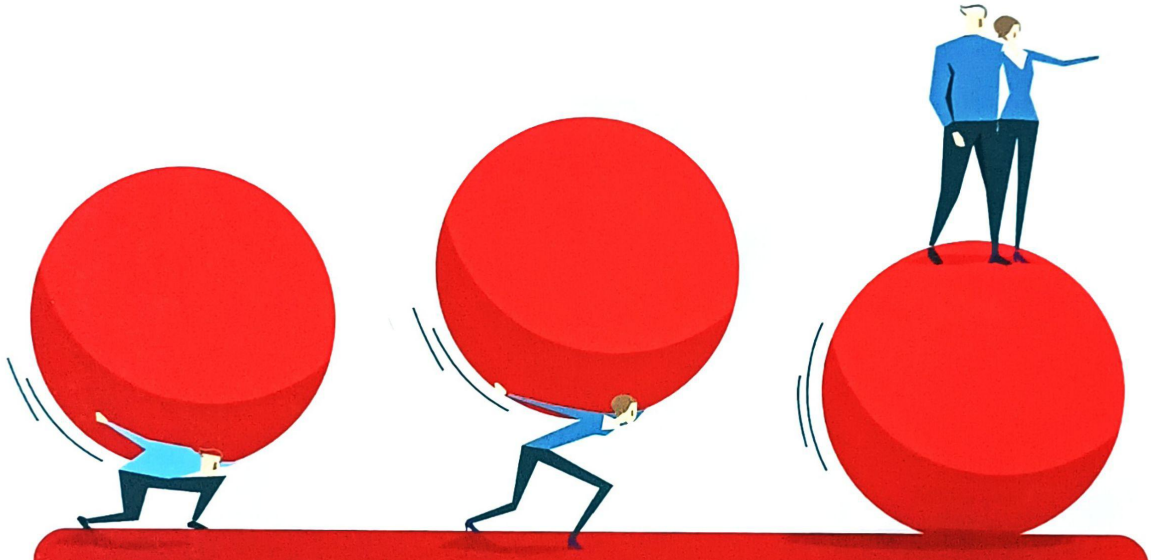
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6 YAHOO!: ARE THE PARTS GREATER THAN THE SUM?

BY ALOK KAVTHANKAR AND INDU PEREPU

On Feb 2, 2016, US-based technology company Yahoo Inc. (Yahoo!), released its 4th quarter and full year 2015 results. Yahoo!'s yearly revenue had grown by 7% but its cost of revenue had increased by 266% and the company had written off $ 4,461 billion owing to goodwill impairment of its recent acquisitions. Yahoo! had also announced to cut 15% of its workforce. *(Refer to Table 1 for Yahoo's Fourth Quarter and Full year results)*

TABLE 1

Yahoo's Fourth Quarter and Full Year 2015 Results

(In $ millions)

	Q4 2014	Q4 2015	Full Year 2014	Full Year 2015
GAAP revenue	$1,253	$1,273	$4,618	$4,968
Cost of revenue—TAC	$74	$271	$218	$878
Goodwill impairment	$88	$4,461	$88	**$4,461**
Income (loss) from operations	$32	($4,530)	$143	($4,748)
Non-GAAP income from operations	$256	$63	$755	$342
Adjusted EBITDA	$409	$215	$1,362	$952
Net earnings	$166	($4,435)	$7,522	($4,359)
GAAP net earnings per share diluted	$0.17	($4.70)	$7.45	($4.64)
Non-GAAP net earnings per diluted share	$0.30	$0.13	$1.57	$0.59

Source: Yahoo!

The Chairman of Yahoo!, Maynard Webb, said, "The Board believes that exploring additional strategic alternatives, in parallel to the execution of the management plan, is in the best interest of our shareholders. In addition to continuing work on the reverse spin, which we've discussed previously, we will engage on qualified strategic proposals."[a]

Analysts decoded 'strategic alternatives' to mean "Yahoo! on sale". Apparently, the turnaround initiatives spearheaded by the CEO Marissa Mayer (Marissa), who joined the company in 2012, had yielded to the continual erosion of Yahoo!'s core business[b]—targeted advertising through its search engine and display advertising through Yahoo.com

a Yahoo press release , "Yahoo To Improve Profitability and Accelerate Growth By Sharpening Focus," February 2, 2016

b Yahoo Core comprised its search and display advertisement services. Search advertising was targeted advertising against the user search results while display advertising was essentially placing display banners against the type of content on Yahoo! as well as affiliate websites.

Alok Kavthankar and Indu Perepu, "Yahoo!: Are the Parts Greater than the Sum?" Copyright © 2017 by The Case Centre. Reprinted with permission.

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Case 6 Business Model and Competitive Strategy of IKEA in India

By Debapratim Purkayastha and Syed Abdul Samad

We are very determined but very patient at the same time. We started this journey six years ago. Things are finally moving and we are satisfied with the progress so far …

I truly believe that the IKEA format is going to work. What is an IKEA store? An IKEA store has more than 9000 different articles for the entire family. We offer an experience for the whole family. Also remember, at IKEA we don't sell products, we sell inspiration.[1]

Juvencio Maeztu
IKEA's Country Manager for India, 2013

After a year of lobbying, negotiating with, and convincing the Indian politicos and bureaucrats, IKEA's €1.5 billion investment proposal to set up its stores in India was finally accepted by the local government on May 2, 2013. However, as of July 2013, Juvencio Maeztu (Maeztu), IKEA's country manager for India, found he still had a colossal task ahead of him.

IKEA, the Netherlands-based Swedish company, was the largest furniture retailer in the world, with a presence in 44 countries around the globe in countries such as the United States, the U.K., Russia, the European Union region, Japan, China, Australia, and so on. However, it did not enter the Indian market until 2013, though the company had had a presence in the country since the 1980s as a sourcing destination for its global stores. It had even opened its regional procurement office in Gurgaon, India, in 2007. In 2009, IKEA tried to enter the country to establish its stores, but its attempts were thwarted by India's stringent Foreign Direct Investment (FDI) regulations. It again applied for permission for entry in June 2012 after India made some changes in its FDI rules. However, IKEA had to wait another year, hitting many roadblocks on the way, before it was able to obtain the Indian government's approval to establish its stores. The company also had to tweak its global store model to fit the Indian FDI, sourcing outlines, and Indian consumer preferences.

While Maeztu was tasked with tapping the Rs.[1] 925 billion Indian furniture and furnishings market, analysts were keenly waiting to see what strategies the furniture giant would come up with to win the highly fragmented, price-sensitive Indian market; many Indian middle-class families preferred to have their furniture custom-made from small retailers or local carpenters. No two Indian homes had the same kind of furniture; Indians in general showed more of an affinity for unique woodwork and designs than for flat geometric furniture. "Living room in India is different from any other country—a place for socializing and every activity is around the food. In some countries it is the kitchen and in some countries living room is used for sleeping,"[2] said Maeztu. More important was the fact that the Indian customer did not like the concept of do-it-yourself (when buyers had to assemble different pieces of the product themselves), a key part of IKEA's globally successful business model. Analysts opined that although the company managed to impress the Indian government, getting into the homes of Indian consumers would be an entirely different ballgame.

About IKEA

IKEA was a privately held company. It designed and sold ready-to-assemble furniture, home appliances, and accessories. From humble beginnings in 1943, the company went on to become the world's largest furniture retailer by the 2000s.[3] In the financial year 2001, the company earned revenue of €10.4 billion. **(Refer to Exhibit I for IKEA's growth in revenue.)** By 2012, the company's revenues increased to €27.6 billion with a net income of €3.202 billion. **(Refer to Exhibit II for IKEA's income statement.)** By August 31, 2012, the IKEA Group had operations in 44 countries, including 30 service trading offices in 25 countries, 33 distribution centers, and 11 customer distribution centers. By the same date, the IKEA Group had a total of 298 stores in 26 countries and employed 139,000 people.[4] Globally, the company had doubled its sales to €27.6 billion in the past decade and further planned to double them again by 2020 and to open 20 to 25 stores a year from 2015.

IKEA was founded in Sweden in 1943 by 17-year-old Ingvar Kamprad (Kamprad). IKEA was an acronym of Ingvar Kamprad, Elmtaryd (the farm where he grew up) and Agunnaryd (his hometown in Småland, South Sweden). The company's products were well known for their modern architecture and eco-friendly designs. In addition, the firm paid attention to cost control, operational details, and continuous product development, which allowed it to lower its prices. Instead of selling preassembled products, the company designed furniture that could be assembled by the customer. This helped it cut down on costs

*This case was written by **Syed Abdul Samad**, under the direction of **Debapratim Purkayastha**, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.*

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[1]"After Long Wait, IKEA in No Rush for Quick Launch of Stores," www.moneycontrol.com, June 2, 2013.

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Case 7 Wal-Mart in Africa

Africa is awakening. It's a huge market of almost a billion people with huge resources and a young population. People spend when they're young.[1]

–Christo Wiese
Chairman, Pepkor Ltd.[a] *(Pepkor), August, 2012*

Whenever Walmart enters a new market, it introduces its global operating belief that being a responsible global citizen begins with being a responsible local citizen.[2]

–Doug McMillon
Wal-Mart International CEO, June, 2011

Walmart, with sales of more than $405bn [£258bn—more than South Africa's GDP] in 2010, has massive power to dominate the world's global supply chains, and national retail sectors, and to dictate the conditions of trade to thousands of supply firms in other sectors.[3]

–A union spokesman, Cosatu
A South African Trades Union, 2011

On March 9, 2012, the Competition Appeal Court of South Africa ruled that U.S.-based Wal-Mart Stores, Inc. (Wal-Mart), the world's biggest retailer, could go ahead with its US$2.4 billion purchase of stake in the South African retailer Massmart Holdings Limited (Massmart).[4] By ruling in favor of the deal, the Competition Appeal Court upheld the 2011 ruling of South Africa's Competition Tribunal.[b] Wal-Mart had started expanding into international markets in 1991. It experienced successes in international markets such as Mexico and bitter failure in markets such as Germany and South Korea. The financial crisis of 2008 resulted in Wal-Mart putting even more emphasis on the international markets to fuel its growth as there were limited growth opportunities in the domestic sector. Wal-Mart started to focus on Africa as other markets with good potential like India were still closed to foreign players.[c] Africa remained the last major market yet to be explored by big MNCs like Wal-Mart. Despite political instability and poor economic conditions plaguing the continent, some countries in Africa offered good potential for growth due to their stable political environment and rising disposable incomes.

Wal-Mart decided to expand its presence in Africa in an inorganic way and made a preliminary offer to buy South African retailer, Massmart. Massmart was the second biggest retailer in South Africa and its operations were spread across many African countries. Wal-Mart's offer was accepted by Massmart's shareholders and South Africa's Competition Tribunal in June 2011. The deal was cleared with some conditions. But Wal-Mart quickly ran into trouble as the deal was opposed by some trade unions and government departments of South Africa. The coalition that was opposing the deal alleged that WM's entry would lead to huge job losses and adversely affect the domestic manufacturing sector of South Africa. Wal-Mart refuted the allegations and said that it was willing to create 15,000 new jobs within three years of the takeover. Wal-Mart's past record of being a low-wage, low-benefit employer, which discouraged its employees from forming labor unions, compounded the fears of the opposition coalition. While some analysts expressed optimism that Wal-Mart's low-price model could prove successful in Africa due to its poverty and low income levels, others were skeptical. They said that much of the population in Africa lived below the poverty line and might not have good buying potential. Analysts also warned Wal-Mart of repeating the mistakes it had committed in Germany and South Korea like trying to use the same business model as it followed in the U.S. market without understanding the needs of the local market.

Background Note

Wal-Mart was founded in 1962 by Samuel Moore Walton (Walton) in Rogers, Arkansas, USA. Walton worked at JC Penney Corporation, Inc.[d] before starting Wal-Mart. He also ran a franchise of Ben Franklin stores.[e] When working with other retailers and later running a franchise, the conviction grew on Walton that the changing buyer behavior in the United States made discount stores the future of retailing, especially in the smaller towns. He traveled across the United States before starting his own discount store and was convinced that Americans wanted a new type of discount store, which would offer more discounts than the traditional discount stores. Wal-Mart was founded on the principle of passing on the discounts that retailers could manage from the wholesalers to the consumers and making money through the higher volumes

This case was written by Adapa Srinivasa Rao, under the direction of Debapratim Purkayastha, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.
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[2]Max Clarke, "Walmart Enters Africa Despite Union Opposition," http://www.freshbusinessthinking.com, June 1, 2011.

[3]Richard Wachman, "South Africa Resists March of Walmart," http://guardian.co.uk, October 10, 2011.

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Case 9 Ethical Leadership: Ratan Tata and India's Tata Group

Maybe I'm stupid or old fashioned, but I really want to go to bed at night saying I haven't succumbed to this.[1]

RATAN TATA
Chairman, Tata Group, on paying bribes

"Ratan Tata has set an example with his transparency and integrity. In a milieu haunted by wheeler-dealers and a business climate where companies will stop at nothing to pouch contracts, [Ratan] Tata is an inspiration for young entrepreneurs."[2]

RAJEEV CHANDRASEKHAR
An independent member of the Indian Parliament and a former telecom entrepreneur

"[W]e have endeavoured to uphold a value system that has been part of our tradition, and we've been disadvantaged repeatedly in that we have lost projects, projects have been delayed …," said Ratan Naval Tata (Ratan), Chairman of Tata Sons Ltd., the holding company of the Tata Group, on the difficulties of doing business in his home country, India. "And in that sense, we would like to keep the Group ferociously protecting this one asset…."[3] As he prepared to hand over the reins of the group to his successor by the end of 2012, Ratan's job was to ensure that his successor carried forward the legacy of the Tatas and did not view its ethical standards and values as a burden while operating in this key emerging market.

Ratan was credited with transforming the Tata Group under his leadership and bringing it into the 21st century. Although the septuagenarian was applauded as an astute leader and for continuing the Tatas' tradition of ethical leadership, his name was also drawn into the infamous 2G scam that surfaced in India in 2010. Allegations that the Tata Group had not "walked the talk" and that it was involved in what was being described as India's biggest scam, had dented the image of the group. For generations of Indians and even outside the country, the word Tata had been synonymous with "trust" and "integrity." The group was well known for its corporate social responsibility and principles such as the "Tatas don't bribe" and the "Tatas don't indulge in politics."[4] Strict adherence to these principles had led to the group prospering under the predecessors of Ratan and under his reign becoming the best-known Indian group in the world.

This case was written by Debapratim Purkayastha, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.
This case won the Third prize in the BLR Case Study Competition, organized by Business Leadership Review, the official journal of the Association of MBAs (AMBA), UK.
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[1]Amol Sharma, "India's Tata Finds Home Hostile," http://online.wsj.com, April 13, 2011.
[2]"Tata Juggernaut Stirring," *Business India*, www.tata.com, April 30–May 13, 2001.
[3]Shekhar Gupta, "'The Most Noise Usually Comes from the People Who Have the Most to Hide'," www.indianexpress.com, November, 28 2010.
[4]Girish Nikam, "Is Ratan Tata as Clean as He Claims: Why Is Niira Radia Talking to Karunanidhi's Wife?" http://indiasreport.com, November 28, 2010.

On his commitment not to indulge in corruption, Ratan said this had resulted in his group getting a raw deal because he had had to forsake a significant amount of business. He lamented that he had not been able to expand more in his home country due to bureaucratic delays, arbitrary regulatory decisions, and widespread corruption in such sectors as steel, power, aviation, and telecommunications. Despite this, the group upheld the traditions of the Tata Group and did not indulge in corruption, he said.

About the Tata Group

The Tata Group, which was founded by Jamsetji Tata in 1868, had grown to comprise over 100 companies in seven business sectors: communications and information technology, engineering, materials, services, energy, consumer products, and chemicals. Initially inspired by the spirit of nationalism, the group had pioneered several industries of national importance in India: steel, power, hospitality, and airlines. As of early 2012, the major Tata companies were Tata Steel, Tata Motors, Tata Consultancy Services, Tata Power, Tata Chemicals, Tata Global Beverages, Tata Teleservices, Titan, Tata Communications, and Indian Hotels. The group had operations in 80 countries across the globe, and its companies exported products and services to 85 countries. It had revenues of US$83.3 billion in 2010–2011, with 58 percent of this coming from business outside India. Tata companies employed over 425,000 people worldwide. The Tata Group's contribution to the Indian exchequer for the year 2010–2011 was US$6.93 billion out of the total US$210.26 billion[5] (refer to Exhibits I and II).

Each enterprise in the Tata Group operated independently, with its own board of directors and shareholders. These enterprises had a combined market capitalization of about US$80.59 billion (as of January 19, 2012) and a shareholder base of 3.6 million. The Tata Group had had a series of illustrious leaders—Jamsetji Tata (1868–1904), Sir Dorab Tata (1904–1932), and JRD Tata (1932–1991)—who spurred the growth of the company, taking it into newer businesses. However, it was Ratan Tata, who took over the reins of the company in 1991, who was credited with making Tata a truly global group.

Ratan, great grandson of the founder, was a graduate from Cornell University in architecture and structural engineering. He turned down a position at leading IT company,

[5]http://www.tata.com/htm/Group_Investor_GroupFinancials.htm.

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Case 10 IKEA in Russia: Emerging Market Strategies and Ethical Dilemmas

"IKEA consistently combats corruption. All of our divisions operate completely transparently. The company has adopted a strict code of conduct and its provisions are binding not only for rank-and-file employees and executives, but also for business partners. These regulations are uniform throughout the world and Russia is no exclusion."[1]

– IKEA's Press Release following investigation of bribery cases against former employees of IKEA Russia, July 2012

"People in the West know astonishingly little about Russia. Those who call themselves Russia experts usually don't understand the first thing about it. People who say they don't know much about Russia come much closer to understanding it."[2]

– Lennart Dahlgren,
Former Russia Country Manager for IKEA, February 2011

Introduction

In July 2012, a Turkish national, Okan Yunalan (Yunalan), who acted as an intermediary for Carl Ola Ingvaldsson (Ingvaldsson), former Head of the Leasing Department in IKEA's Russian subsidiary (IKEA MOS), to extract a bribe, was sentenced to five years in a high-security prison. Yunalan was found guilty of large-scale extortion after he demanded 6.5 million ruble (US$ 225,000) from a company that sought to lease two premises at IKEA's Mega shopping complex in Tyoply Stan, a suburb in Moscow. Ingvaldsson and another accomplice managed to leave the country and Russia was seeking their extradition.

IKEA stated that it welcomed the investigation by Russian authorities into the incident and would co-operate fully with them. This was not the first instance of corruption seeping into its Russian operations negating its tough stance against the all-pervasive corrupt business environment in Russia.[3] IKEA was known for its uncompromising attitude toward corruption but it had not always been successful in ensuring that its employees adhered to its ethical standards.

The same year, the company came under the scanner of global environmental agencies when an investigative report revealed that it was utilizing ill-defined Russian logging rules to cut down old growth forests.[4] This raised questions about its claims of being an ecologically sensitive company that believed in sustainable logging practices.

This case was written by Namratha V Prasad, under the direction of G V Muralidhara, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.
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[1]"IKEA Cooperates with Investigation in Cases against Executives," www.rapsinews.com, July 18, 2012.
[2]Svetlana Smetanina, "Addicted to Russia," http://rbth.ru, February 23, 2011.
[3]Augusto Come, "Corruption, Corruption, Corruption," www.opendemocracy.net, November 29, 2012.
[4]Old growth forests are those that have been left undisturbed for about 300 to 600 years, resulting in them exhibiting unique ecological features.

It was in the late 1990s that IKEA decided to enter the Russian market as part of its global expansion strategy. From its early days, the company had displayed a non-tolerance for corruption. This standpoint meant that it had to face several setbacks when setting up stores, inaugurating them, and even while advertising for them. However, there were also instances of support from authorities, whether local or federal, and of difficulties being smoothed out, which enabled the company to get things done faster than in any other country in the world.

Over the years, the company expanded and experienced success with its stores in Russia. Some of them, in fact, became the top grossers in the world for IKEA. It was also in Russia that the company introduced its successful new business model, wherein its furniture stores were operated not as standalone stores but as part of large shopping and entertainment complexes.

Though the company continuously faced and overcame the serious hurdles caused by the corrupt bureaucratic system, it finally decided to halt all expansion in Russia in 2009. The decision came in the wake of permission being denied to setup two if its stores, allegedly after it refused to pay bribes to safety inspectors. However, the top Russian ministry officials convinced the company to go ahead with its expansion in 2011.

As of 2012, with 14 existing stores (**See Exhibit I for more Information about Russia's IKEA Stores**), the company's expansion plan in Russia was on track, and it had plans to open several new stores and even a retail bank.

Background Note

IKEA, founded in Sweden was the most successful entrepreneurial venture of its founder Ingvar Kamprad (Kamprad). Kamprad was just a boy in the 1920s, when he began selling matches. He later graduated to selling flower seeds, greeting cards, Christmas tree decorations, pencils, and then ball-point pens.

In 1943, Kamprad set up a business with money given by his father. He called it IKEA (representing his own initials (I.K.), in addition to the first letter of his farm, Elmtaryd (E), and the village where he spent his childhood Agunnaryd (A)). IKEA started out selling products such as pens, wallets, picture frames, table runners, watches, jewelry, and nylon stockings, at discounted prices. In 1948, furniture made by local manufacturers was also sold through the business.

CEIBS Case Center *Editor*

中欧案例中心 编著

China-Focused Cases

Selected Winners of the CEIBS Global Case Contest

中国工商管理国际最佳案例获奖精选(英文版)

上海交通大学出版社
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Brief Introduction

This book is the first anthology compiled in English by the CEIBS Case Center to promote China-focused cases worldwide. Included are ten of twenty six award-winning cases from the Global Contest for the Best China-Focused Cases during 2015 to 2017: these works exemplify the quality of effective business cases and share stories of China to the world.

Each of the ten cases has a defining feature. Some cases, with a focus on user demand, analyze how companies build their core competence (e.g., Haidilao Hot-Pot and OnePlus Mobile Phone), while others present an array of business innovations in the era of new retail, e-commerce, and the sharing economy (e.g., SF Express, Jinhuobao, ofo, FamilyMart, and Handu Apparel). Some describe Chinese companies' operations in the overseas market (e.g., Huawei and TECNO), and others depict how foreign companies adapt to the Chinese market in a unique way (e.g., Starbucks). These cases were drawn from Chinese and overseas business schools.

The book helps bridge the gap between the world management community's interest in China and the limited availability of China-focused management cases. We hope this collection of selected cases will prove valuable and informative for our readers.

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3 OnePlus: A Chinese Tech Startup Aiming to Disrupt the Global Smartphone Market[①]

This case is about the meteoric rise of OnePlus, a Shenzhen-based technology startup that gained global attention for its high-end, low-budget smartphones sold directly to consumers online through an innovative invite system. Founded in 2013 by former OPPO executives Pete Lau and Carl Pei, OnePlus was one of the fastest growing Chinese startups. It made a global impact in a short time with its sleek devices, low prices, and invite-only exclusivity. The company positioned itself between low-cost smartphone companies like Xiaomi and high-end producers like Apple and Samsung and significantly undercut them on price, despite closely matching them on features. Right from the outset OnePlus promoted itself as a global company with a global mindset.

The case highlights the business model of OnePlus, which was built around razor-thin margins and giving value back to its users in the form of low prices. The company sold its phones at cost through an invite-only system, which allowed it to gauge and fulfil demand accurately and avoid the risk of keeping unsold inventory. OnePlus primarily focused on viral marketing and community interaction such as word-of-mouth advocacy and social media to spread brand awareness. Considered a low-cost rival to Apple, OnePlus's core strengths were an obsessive focus on product design and quality, branding, and customer engagement.

However, OnePlus also drew criticism for selling its phones through an invite-only model, as this limited those who could buy the phone and left some customers disappointed. The company also struggled to meet the growing demand

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① The case was developed by Syeda Maseeha Qumer and Debapratim Purkayastha of ICFAI Business School, Hyderabad. The case was developed to provide the basis of classroom discussion rather than to illustrate effective or ineffective handling of a management situation.
This case was the Best Case Award winner of 2015 Global Contest for the Best China-Focused Cases.

4 Huawei's Quest for Global Markets①

This case discusses the challenges faced by Shenzhen-based networking and telecommunications equipment and services company, Huawei Technologies Ltd. (Huawei) in the global markets of the United States, Australia, and the European Union for its telecom equipment. These countries alleged that Huawei had entered their organizations through the back door at the behest of the Chinese government, giving China a chance to spy on them. The allegations were rooted in the past association of REN Zhengfei (Ren), Huawei's founder, with the People's Liberation Army (PLA), the unified organization of the armed forces in China. Huawei's culture of secrecy, lack of openness and transparency, and Ren's unwillingness to give public interviews only strengthened the opposition the company faced. Amid concerns of national security, Huawei was banned from bidding for telecom equipment projects in both Australia and the United States.

Huawei had consistently denied all espionage accusations and allegations that it had links with the Chinese military. The company fought relentlessly for several years to shed its image as a company controlled by the Chinese government, despite its private ownership structure. Since Ren's past experience in the PLA was often cited by overseas media and officials to suggest that Huawei was collaborating with the Chinese government, Huawei enlisted the help of global public relations firms, advertisers, and strategic consultants to try and alter this impression. Despite spending a huge amount of money on lobbying activities in the United States during 2012, the company had to reduce its presence in the U.S. telecom market.

Industry experts pointed out that Huawei had not made an aggressive push to address its woes in the U.S. telecom market. Some analysts suggested that Huawei

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① The case was developed by Muralidhara GV of ICFAI Business School, Hyderabad, and freelance case writer Hadiya Faheem. The case was developed to provide the basis of classroom discussion rather than to illustrate effective or ineffective handling of a management situation.
This case was the Nominated Case Award winner of 2016 Global Contest for the Best China-focused Cases.

5 TECNO Mobile's Growth Strategies in Africa①

This case discusses Chinese smartphone maker TECNO Mobile (TECNO) and their growth strategies in Africa. TECNO emerged as the undisputed leader in Africa's mobile industry by offering innovative and high-quality products at an affordable price. Little known in China, TECNO entered the mobile-phone market in Africa in 2007, and over the course of a decade expanded to more than 35 countries, dominating major markets such as Nigeria, Tanzania, Kenya, Cameroon, and Ghana. TECNO understood the uniqueness of the African mobile market and developed smartphones best suited to the African people and cultures. TECNO stayed true to the maxim "Think globally, act locally", thereby achieving great success in translating advanced technology into superior localized products. Its success highlights how a small company was able to win the African market by leveraging its accurate brand positioning; the sophisticated, innovative features of its products; and localized manufacturing capacity.

After its success in Africa, TECNO expanded its business to more than 48 countries around the world. Despite its phenomenal success in Africa, TECNO has several challenges ahead. These include protecting the brand from counterfeit products, fierce competition, and a slowing African economy. Going forward, can TECNO remain the smartphone of choice for every African? Can the company sustain its position as the de facto representative of Chinese smartphone companies in Africa? Can the Chinese mobile-phone maker replicate its African success in other global emerging markets?

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① The case was developed by Syeda Maseeha Qumer and Geeta Singh of ICFAI Business School, Hyderabad. The case was developed to provide the basis of classroom discussion rather than to illustrate effective or ineffective handling of a management situation.
This case was the Nominated Case Award winner of 2017 Global Contest for the Best China-Focused Cases.

6 Can Starbucks Sustain Its High Prices in China?①

This case is about Starbucks' pricing strategy in China, under which the company charged higher prices for its products than in Western countries. Starbucks is considered a success story in China, as it was able to convert the traditional tea drinkers of the nation to coffee lovers through its premium offerings. The premium pricing strategy of the company aimed at improving its brand positioning in the Chinese market, where consumer perception was that higher-price products offered higher quality. However, the pricing strategy attracted criticism from media outlets in China, accusing the coffee giant of profiteering and of discriminating against its Chinese consumers. Starbucks defended its pricing strategy in China, saying that its higher prices were attributable to its higher cost of doing business in the country than in other markets. Howard Schultz, CEO of Starbucks, saw China as a primary growth market and had ambitious growth plans at a time when there was worldwide anxiety over the country's sluggish economy and market turmoil. However, with competition growing in the market, can Starbucks sustain its high prices in China?

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① The case was developed by Debapratim Purkayastha, Benudhar Sahu, and S Venkata Seshaiah of ICFAI Business School, Hyderabad and Trilochan Tripathy of XLRI, Jamshedpur. The case was developed to provide the basis of classroom discussion rather than to illustrate effective or ineffective handling of a management situation.
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CASE 03

Amazon.com's Business Model and Its Evolution

Syeda Maseeha Qumer
IBS Hyderabad

Debapratim Purkayastha
IBS Hyderabad

In 2015, Seattle-based e-commerce giant **Amazon.com**, Inc. (Amazon) surprised investors by posting an unanticipated second quarterly profit in a row after struggling with profitability the previous year. In the third quarter ended September 30, 2015, Amazon's revenues increased by 20% to $23.2 billion, while net income was $79 million, compared with a net loss of $437 million in the corresponding quarter of the previous year. The revenue growth was attributed to the company's rapidly growing cloud-computing business, higher sales in North America, and initiatives to attract more customers. On the back of these unexpected quarterly results, Amazon shares surged, making it the most valuable retailer in the world surpassing Wal-Mart Stores Inc.[1] as of July 2015[2] (see Exhibits 1 and 2). *"They are showing investors that if they want to deliver profits, they can. Amazon is a dominant online retailer, well on its way to becoming one of the world's largest retailers,"*[3] said Michael Pachter, analyst at Wedbush Securities Inc.[4]

Launched as an online bookstore in 1995, Amazon quickly expanded beyond books to include all types of consumer goods. The company constantly innovated with its business model and moved from consumer electronics to cloud computing services and later into the technology business. Amazon's business model was built around low prices, a vast selection, fast and reliable delivery, and a convenient online customer experience. Besides offering customers a vast selection of products at low prices, Amazon also provided marketing and promotional services for third-party retailers and web services for developers. It was Amazon's relentless focus on value and selection along with innovations around shipping and handling cost reductions that had made it a leader in e-commerce, opined analysts.

EXHIBIT 1 Most Valuable Companies Included in the S&P 500, as of July 2015

Company	Industry	Market Value ($ billions)
Apple	Technology	$713.7
Google	Technology	462.5
Microsoft	Technology	370.1
Berkshire Hathaway	Financials	350.2
Exxon Mobil	Oil & Gas	339.3
Wells Fargo	Financials	299.5
Johnson & Johnson	Healthcare	277.9
Facebook	Technology	268
General Electric	Industrials	264.6
Amazon.com	**Retail**	**262.7**
JPMorgan Chase	Financials	258.4
Walmart	**Retail**	**233.5**

Source: http://www.usatoday.com/story/money/markets/2015/07/23/amazon-worth-more-walmart/30588783/.

Amazon reinvested much of its free cash flow in its growth. The company's strategy was to put long-term investment, market gains, and value creation ahead of short-term profits. Amazon constantly plowed cash back into the business and

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CASE 28

Tim Cook's Leadership and Management Style: Building His Own Legacy at Apple

Debapratim Purkayastha
IBS Hyderabad

Barnali Chakroborty
Author and Research Associate

"We want diversity of thought. . . . We want diversity of style. We want people to be themselves. It's this great thing about Apple. You don't have to be somebody else. You don't have to put on a face when you go to work and be something different. But the thing that ties us all is we're brought together by values. We want to do the right thing. We want to be honest and straightforward. We admit when we're wrong and have the courage to change."[1]
—Tim Cook, CEO of Apple Inc., in 2012.

"While the market may worry, those who have stuck by Apple through it all know there's only more excellence ahead."[2]
—Edward Marczak, an author and executive editor of *MacTech* magazine, in August 2011.

"Jobs would figure out how to put the pieces together. Everything just filtered through his eyes. I think it's going to be very difficult for them to come up with the next big thing. They've lost their heart and soul."[3]
—Michael A. Cusumano, a professor in the Sloan School of Management at M.I.T., in June 2014.

In March 2015, Tim Cook (Cook), the CEO of technology giant, Apple Inc. (Apple), was named as the "world's greatest leader" by *Fortune* magazine.[4] Apple, a US-based company, designed, manufactured, and marketed mobile communication and media devices, personal computers, and portable digital music players, and sold a variety of related software, services, peripherals, networking solutions, and third-party digital content and applications.

Despite being regularly compared with the legendary founder CEO, Steve Jobs (Jobs), Cook had his own strengths. Since becoming the CEO, Cook had transformed himself from a soft-spoken operations manager to a high-profile leader at Apple. After replacing Jobs, he not only led the company to even greater financial success, but also changed the culture of the company along the way. Apple grew to become the world's most valuable company after Cook took the helm. His emphasis on the existing strengths of the organization, his belief in consensus building among leading executives, and his lack of interest in micromanagement indicated a democratic management style. Moreover, his leadership qualities including focus on core products, long-term orientation, transparency, advocacy of human rights, and sustainable development made him an example for future business leaders.

Cook also took an interest in philanthropy and had plans to give away all his wealth, after providing for the college education of his 10-year-old nephew. As of March 2015, Cook's net worth was about $120 million along with restricted stock worth $665 million if it were to be fully vested.[5] While he had already started donating money, he wanted to

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CASE 31

Conflict Palm Oil and PepsiCo's Ethical Dilemma

Syeda Maseeha Qumer
IBS Hyderabad

Debapratim Purkayastha
IBS Hyderabad

In September 2015, US-based consumer food giant, PepsiCo Inc. (PepsiCo), was dropped from the annual Dow Jones Sustainability Indices (DJSI)[1] as, according to some reports, the company's sustainability performance had failed to make the grade. PepsiCo was singled out by a number of environmental groups for its continued use of large quantities of Conflict Palm Oil,[2] the production of which was responsible for large-scale destruction of rainforests, human rights violations, and climate pollution in tropical countries like Indonesia where palm oil was produced. The groups criticized PepsiCo for not having a robust sustainable palm oil policy and for not acknowledging the damage its supply chain had caused in countries such as Indonesia and Malaysia. According to an international environmental and human rights organization, the Rainforest Action Network (RAN), *"What Pepsi does has a huge impact on the climate, the rainforests of Southeast Asia, and the people and animals that rely on these forests for their lives and livelihoods. The company is a major Conflict Palm Oil laggard. It is dragging its feet and is refusing to admit it even has a problem. It could rise above its competitors and do the right thing, but, instead, it has relied on half measures and a commitment with gaps big enough to drive a bulldozer through."*[3]

Palm oil obtained from the fruit of the oil palm tree and the most widely used vegetable oil in the world, went into the processing of a wide array of food and non-food products. Over the years, the demand for palm oil had increased sharply as it was one of the cheapest vegetable oils on the global market with no trans fats. The rising demand led to large-scale deforestation across South East Asia with rainforests being cleared to make way for palm oil plantations. This added to global warming emissions and resulted in a shrinking of the habitat of many already threatened species.

On the heels of a wave of zero deforestation commitments from other consumer products companies, PepsiCo committed through the Roundtable for Sustainable Palm Oil[4] (RSPO) in 2010 to source exclusively 100% RSPO certified sustainable palm oil by 2015.

Conflict Palm Oil posed an ethical dilemma for PepsiCo which bought approximately 470,045 metric tonnes of palm oil annually, making the company the biggest purchaser of palm oil worldwide.[5] Several environmental groups criticized PepsiCo for selling its popular products like Doritos and Lays, which were not covered by the commitment to use responsible palm oil, at the expense of the environment. PepsiCo was one of the "Snack Food 20"[6] group of companies targeted by RAN's Conflict Palm Oil campaign for its inadequate palm oil policy. The group repeatedly called on PepsiCo's CEO Indra Nooyi (Nooyi) to go on record about her company's continued use of palm oil. According to RAN, PepsiCo's commitment to sourcing sustainable palm oil was weak and it should adopt and implement a responsible palm oil procurement policy. With mounting pressure, PepsiCo announced a new Forest Stewardship Policy and Palm Oil Commitment in May 2014. Though in

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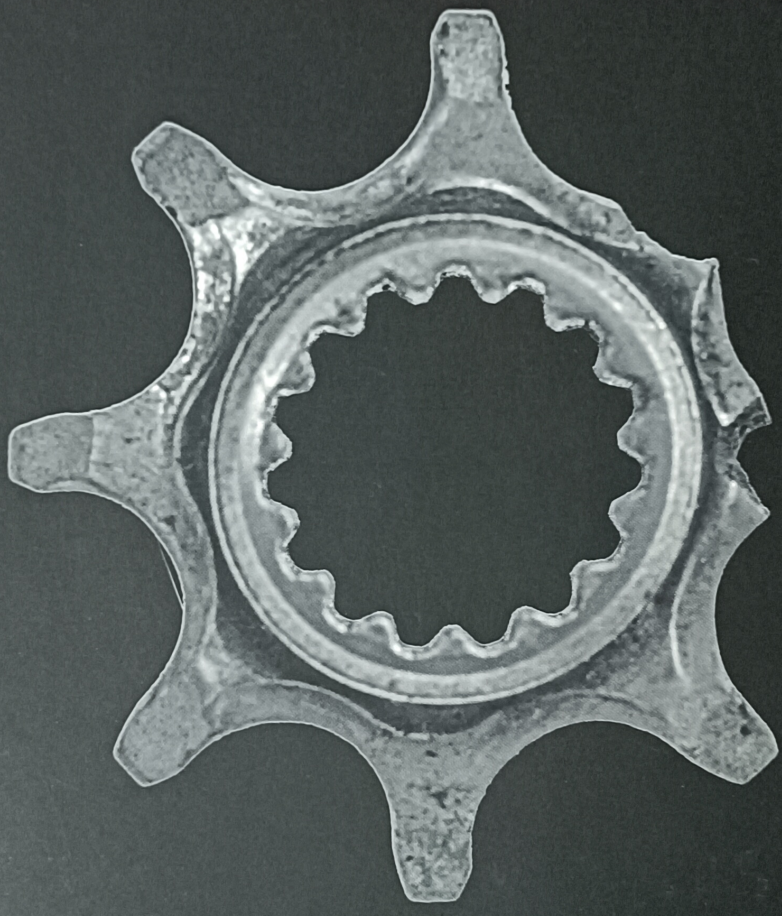
Newcastle Brown Ale's Creative Super Bowl Campaign: A Novel Crowdfunding Strategy

DEBAPRATIM PURKAYASTHA & KOTI VINODBABU

THE DARK SIDE

3

CRITICAL CASES ON THE DOWNSIDE OF BUSINESS



Edited by Fernanda Filgueiras Sauerbronn,
Pauline Fatien Diochon, Albert J. Mills and Emmanuel Raufflet

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8

Labor unrest at Maruti Suzuki India Limited[a]

Debapratim Purkayastha
ICFAI Business School, India

Tangirala Vijay Kumar
ICFAI Business School, India

Case overview

Context	***Country/Region***	*India*
	Industry	*Automotive*
	Type of Organization	*MNE*
	Key Issues	*Labour unrest; Industrial relations; Ethical conduct*
Learning Objectives	***Summary***	*Focuses on labour relations and raises issues about the difficulties workers encounter in organizing unions and getting their voices heard at the workplace. Discusses some of the current stark socio economic realities of India, a country in transition, where a major portion of workers contributing to the country's industrial activity are on tenterhooks, with no job security and earning meagre salaries.*
	Learning Approaches	*Class discussion*

(continued)

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10

What's good for the goose is good for the gander?[a]

Lesley Symons
The Case for Women, United Kingdom and Australia

Debapratim Purkayastha
ICFAI Business School, India

Case overview

Context	***Country/Region***	*USA*
	Industry	*Newspaper and Media*
	Type of Organization	*MNE*
	Key Issues	*Gender; Leadership; Ethical conduct*
Learning Objectives	***Summary***	*This case explores the issues of gender in the workplace, and the deep structures of power that marginalize, oppress, and silence individuals and groups. It helps explore the dark side of the stereotypes, biases, and beliefs in the workplace about women and leadership.*
	Learning Approaches	*Class discussion*
	Key Concepts	*Control; Gender discrimination; Women in leadership; Stereotypes; Corporate ethics*

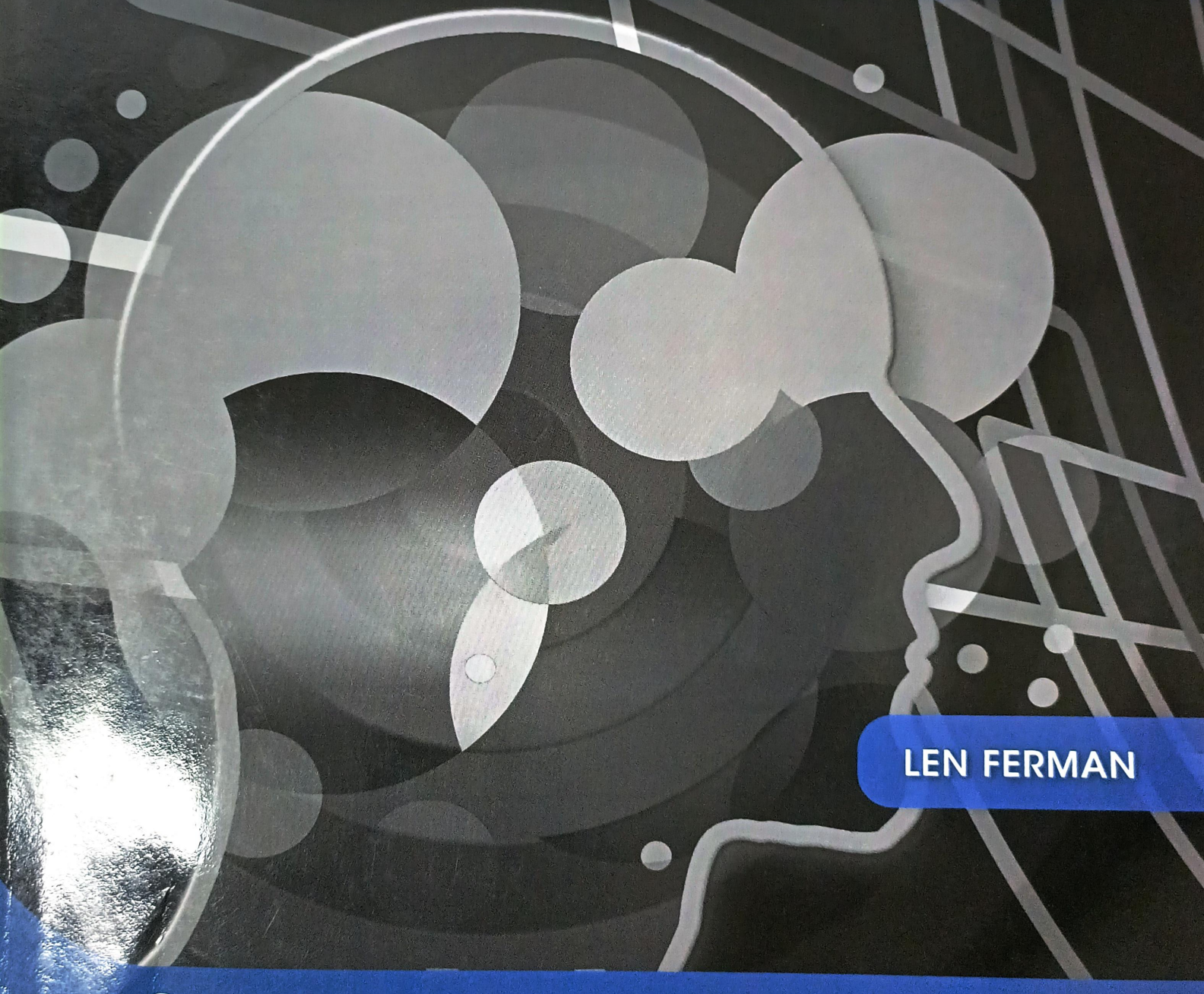
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READING 16

DESIGN THINKING AND INNOVATION AT IDEO

BY VIVEK GUPTA AND A. HARISH

"Design thinking is an approach that uses the designer's sensibility and methods for problem solving to meet people's needs in a technologically feasible and commercially viable way. In other words, design thinking is human-centered innovation."[a]

—Tim Brown, CEO, IDEO, in February 2010.

"I haven't seen anything like them before. They're creative and strategic, eclectic, and passionate. They're cool but without attitude."[b]

—Tom Wyatt, President, Intimate Apparel Group[c], in May 2004.

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a www.ideo.com/thinking/approach, Accessed on February 21, 2010.

b "The Power of Design," www.businessweek.com, May 17, 2004.

c The Intimate Apparel Group is a subsidiary of the Warnaco Group. The Warnaco Group was founded in 1874 and was one of the leading apparel brands in the world as of 2009. Warnaco sold its products under several brands including Calvin Klein, Speedo, Chaps, Warner's, and Olga.

Vivek Gupta and A. Harish, "Design Thinking and Innovation at IDEO," *IBS Center for Management Research*, co 2-16. Copyright © 2010 by IBS Center for Management Research. Reprinted with permission by The Case Centre.

READING 22

INNOVATION AT APPLE

BY DEBAPRATIM PURKAYASTHA AND MASEEHA SYEDA QUMER

"Apple is a very disciplined company, and we have great processes. But that's not what it's about. Process makes you more efficient. But innovation comes from people meeting up in the hallways or calling each other at 10:30 at night with a new idea, or because they realized something that shoots holes in how we've been thinking about a problem.[...] And it comes from saying no to 1,000 things to make sure we don't get on the wrong track or try to do too much. We're always thinking about new markets we could enter, but it's only by saying no that you can concentrate on the things that are really important."[1]

—Steve Jobs, founder of Apple Inc.

"Apple is Steve Jobs, Steve Jobs is Apple, and Steve Jobs is innovation. You can teach people how to be operationally efficient, you can hire consultants to tell you how to do that, but God creates innovation. ... Apple without Steve Jobs is nothing."[2]

—Trip Chowdhry, an analyst with Global Equities Research LLC[a], in 2011.

a Global Equities Research LLC is a US based equity research firm specializing in fundamental research on global equities in the technology sector.

Debapratim Purkayastha and Maseeha Syeda Qumer, "Innovation at Apple," *IBS Center for Management Research*, pp. 2-17. Copyright © 2011 by IBS Center for Management Research. Reprinted with permission by The Case Centre.

READING 25

CORPORATE ENTREPRENEURSHIP AND INNOVATION AT GOOGLE INC.

BY DEBAPRATIM PURKAYASTHA AND ADAPA SRINIVASA RAO

"One of the primary goals I have is to get Google to be a big company that has the nimbleness and soul and passion and speed of a start-up."[1]

—Larry Page, CEO of Google, in 2011

"Google proved that you could systematize innovation. This meant you could create an environment where are asking why things are the way they are, and wondering if they can be done in a different way—where you look outside your own field for an idea."[2]

—Eric Schmidt, Executive Chairman of Google, in 2011

By August 2013, Google, Inc., known more for its dominance in the area of internet search till then, began to overtake its major rivals in innovation. The firm started working on a lot of other projects and increased its spending on research and development, thus gaining an edge over its competitors *(See Exhibit I for revenue, profits and R&D expenses)*. Some analysts predicted that Google had started outpacing Apple, Inc.[a]

a Apple Inc., headquartered in Cupertino, California, US is one of the biggest technology companies in the world. It mainly focuses on designing and selling consumer electronics products.

Debapratim Purkayastha and Adapa Srinivasa Rao, "Corporate Entrepreneurship and Innovation at Google, Inc.," *IBS Center for Management Research*, pp. 1-17. Copyright © 2014 by IBS Center for Management Research. Reprinted with permission by The Case Centre.

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Written by Dr. Paul Fornelli and Jody Mahler
Edited by Dr. Paul Fornelli



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CHAPTER 11

Unilever Ad Campaigns

FOR WOMEN: Dove's 'Real Beauty Sketches' Campaign

Syeda Maseeha Qumar, Debapratim Purkayastha, and Jayasri Bhimalapuram

*This case was written by **Jayasri Bhimalapuram**, under the direction of **Syeda Maseeha Qumer** and **Debapratim Purkayastha**, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.*

In April 2013, UK-based consumer goods giant Unilever, Plc's global personal care brand Dove launched a global ad campaign 'Real Beauty Sketches'. The campaign went on to become one of the most watched online video ad campaigns of the year with over 163 million global views. It was also the most shared video ad in over a year with over 4 million shares across various online platforms ***(See Exhibit 11.1).*** Commenting on the success of the campaign, Fernando Machado (Machado), Vice President of Dove Skin, said, *"The moment that the Dove Real Beauty Sketches film was uploaded to the Dove YouTube page, it quickly started to gain traction around the world with men, women, media, and even other brands sharing the film. The campaign evoked an emotional reaction in millions of people that inspired them to share the positive message with others. Beyond just the millions of views and publicity impressions, it is the outpouring of testimonials from around the world that are exciting us."*[1]

Dove was one of the biggest personal care brands of Unilever. The Dove Beauty Bar launched in 1957 was marketed as an alternative to soap. Over the years, Dove expanded its brand franchise in the women's personal care market to include antiperspirants, deodorants, body washes, beauty bars, lotions, moisturizers, hair care, and other related products. According to some industry observers, the Dove brand had changed the way women cared for their skin.

Launched as part of Dove's 'Campaign for Real Beauty',[1] the three-minute ad campaign was meant to ignite a global conversation about the definition of beauty and about how

1 In September 2004, Unilever launched a global campaign called "Campaign for Real Beauty" to challenge the stereotypes set by the beauty industry. The campaign featured regular women (non-models) who were beautiful in their own way and did not fit in with the idealized images of models, super-models, and celebrities. This campaign was a huge success as it was appreciated by many consumers and resulted in increased sales of Dove products.

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FOR MEN: Axe Effect in the US: Success Through Viral Marketing?

Aich Vasudha and TR Venkatesh

> "The men's [*grooming*] market is growing and it is driving innovation. It is here to stay without a doubt."[15]
>
> —Will King, Founder, King of Shaves[16]

In 2001, Unilever's (**Annexure 11.1**) position in the US deodorant market had dropped to number six[17] with 5.4% market share. The market was dominated by Procter & Gamble Co. (P&G) and Gillette, which together held 47% of the market. Unilever hoped to break through this domination with the launch of its second largest global deodorant brand AXE.

While there were high end luxury brands (priced around US$50 per can) such as Clinique,[18] Kiehl's[19] and John Allan's[20] catering to men's grooming needs, there were not many meant for the mass market. P&G's Old Spice and Gillette's Right Guard were a few of the popular men's deodorant brands in the market.

> "Young men are spending more time and money on their appearance than ever before, and this trend is expected to increase ... We think the time is right to bring Axe, an incredibly popular franchise in many countries around the world, to North America."[21]
>
> —Alan Jope, COO of Unilever Home and Personal care, North America.

AXE male deodorant body spray was launched in the US market in August 2002. The launch signaled the birth of a new male grooming product –body deodorant with odor controlling properties. In 2004, within two years of the launch, AXE became the leading brand in the US$ 1.3 billion US men's deodorant market with 80% market share. Its share in the deodorant market climbed to 13% in 2004. By 2005, AXE was the fastest growing deodorant brand and had achieved sales of over US$ 100 million.

---

15 Antoinette Alexander, "Media, Euro Influence drive growth, helps men's grooming carve solid niche," September 2004, www.findarticles.com

16 Marketer of number two shaving brand in the UK.

17 Behind P&G, Gillette, Colgate Palmolive, Helene Curtis and Carter-Wallace. These companies also experienced a dip of 1.9 to 13% market share in the same period while Unilever experienced a drop of 3.4%.

18 A cologne spray owned by Boots Group PLC, the UK's leading health & beauty retailer.

19 Cologne owned by New York based skin and hair care products marketer, belonged to the L'Oreal Group.

20 A brand owned by a men's club (by the same name) which provided grooming services. There was a whole line of men's grooming products under the brand name in the US.

21 Vavra Bob, "An Axe to Grind", 7 January 2002, Business Source Premier

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READING 8.1

WikiLeaks

Issues in Whistle Blowing

By D. Satish and Bharath Supra

> *"While I'm concerned about the disclosure of sensitive information from the battlefield that could potentially jeopardize individuals or operations, the fact is these documents don't reveal any issues that haven't already informed our public debate on Afghanistan; indeed, they point to the same challenges that led me to conduct an extensive review of our policy last fall."*[1] —Mr. Barack Obama, President of USA on WikiLeaks, July 2010

> *"Publishing improves transparency, and this transparency creates a better society for all people. Better scrutiny leads to reduced corruption and stronger democracies in all society's institutions, including government, corporations, and other organizations. A healthy, vibrant, and inquisitive journalistic media plays a vital role in achieving these goals. We are part of that media."*[2] —WikiLeaks on its website, July 2012

On June 19, 2012, Julian Paul Assange (Assange), founder and director of WikiLeaks[3], fled to the Ecuador embassy in London to seek political asylum[4] there. The Supreme Court of the United Kingdom had dismissed his appeal against extradition to Sweden, where he faced allegations of sexual assault on two women[5]. Assange had denied the allegation and reiterated that the charges were politically motivated to extradite him to the United States of America where he might be

1 "Remarks by The President after Bipartisan Leadership Meeting", http://www.whitehouse.gov/the-press-office/remarks-president-after-bipartisan-leadership-meeting, 27 July 2010.

2 WikiLeaks website, http://wikileaks.org/About.html, Accessed on 18 July 2012.

3 "WikiLeaks reveals video showing US air crew shooting down Iraqi civilians", http://www.guardian.co.uk/world /2010/apr/05/WikiLeaks-us-army-iraq-attack, 5 April 2010.

4 "WikiLeaks' Julian Assange seeks asylum in Ecuador embassy", http://www.bbc.co.uk/news/uk-18514726, 20 June 2012.

5 "Supreme court dismisses Assange appeal bid", http://www.bbc.co.uk/news/world-18446295, 14 june2012.

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CASE 2

Bitcoin: A disruptive innovation or a bubble set to burst?

By Geeta Singh and Syeda Maseeha Qumer

In August 2018, The Intercontinental Exchange (ICE), parent company of the New York Stock Exchange, announced that it would create a new company called Bakkt, to transform a trending cryptocurrency, bitcoin, into a mainstream trusted global currency with broad usage along with providing a federally regulated exchange for it.[1] Expected to launch in November 2018, Bakkt's mission would be to make bitcoin a mainstream financial asset. To achieve this vision, ICE teamed up with some of the leading technology, consulting, and retail companies such as Microsoft Corporation, Boston Consulting Group, and Starbucks Corporation.

Bitcoin, a digital currency, enabled individuals to transfer value to each other and pay for goods and services bypassing banks and the mainstream financial system. Created in 2008 by a pseudonymous computer programmer Satoshi Nakamoto, bitcoin evolved into a popular digital currency that was used by millions of users to carry out secure, transparent, anonymous border-free transactions at a minimal fee. The developers of bitcoins were able to create an online payment process that was extremely secure and not susceptible to the same fraud/security risks that traditional methods, such as credit cards and PayPal[a], faced. By end of 2017, bitcoin's market capitalization had reached around US$278 billion, putting it ahead of financial institutions like Citigroup Inc. and VISA Inc with a cap of US$201 billion and US$255 billion, respectively.[2]

Although bitcoin had its advantages, the downside of this cryptocurrency was that it was highly volatile. The exchange rate for bitcoin was constantly fluctuating because it was a decentralized relatively new currency. While some economists opined that bitcoin had the potential to disrupt the global financial system and become the next global currency, others called it a big scam with its primary purpose being money laundering and defrauding people. According to them, bitcoin was a risky investment and was allegedly used for illegal activities. Is bitcoin a disruptive innovation? Or is it just a popular fad that might soon disappear, wondered some analysts.

The birth of Bitcoin

Bitcoin came into existence as an idea when a small group of cryptographers[b] tried to address the problems facing digital money and as a response to the 2008 financial crisis. Cash kept in digital wallets in digital files could be used multiple times for being prone to be easily copied.[3] Though financial institutions provided a solution to this problem by using a central ledger that recorded the money everyone had in their accounts, cryptographers wanted a private and untraceable solution without third parties like banks being involved. The first proof of bitcoin and its concept was published through a design paper in a cryptography mailing list by a person or a group of persons under the pseudonym Satoshi Nakamoto (Satoshi) in August 2008. Satoshi mentioned that the 2008 financial crisis, failure of government-backed currencies, and the corruption plaguing the existing banking systems were the major factors that motivated the invention of bitcoin.[4] The paper contained details of bitcoin, explaining how it could solve the problem of double spending and copying.

This case was written by Geeta Singh and Syeda Maseeha Qumer, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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[a] PayPal is a worldwide online payments system.

[b] The science or study of the techniques of secret writing, especially code and cipher systems, methods, and the like is called cryptography and specialists in cryptography are called cryptographers.

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CASE 3

'Compassion vs competitiveness' dilemma at Novo Nordisk

By Debapratim Purkayastha

"How to strike the right balance between business and global health? Again, we were challenged by stakeholders...,"[1] quipped Lise Kingo (Kingo), Executive vice president and chief of staffs, Novo Nordisk. The Danish pharmaceutical company, Novo Nordisk, had gained global recognition as a champion of sustainability for a number of sustainability related initiatives that it had taken over the years.

Over the years, Novo Nordisk's business grew substantially and it emerged as a leader in the global insulin[a] market. In the new millennium, Novo Nordisk's new sustainability strategy placed global health at the center of its sustainability initiatives. According to Novo Nordisk's vision statement, the company strove to find the right balance between compassion and competitiveness. From then on, Novo Nordisk started selling its products at a subsidized price in some of the poorest countries around the world. Despite all the efforts that it took to protect the interests of all its stakeholders, in 2010, Novo Nordisk was severely criticized by patients and NGOs when it stopped selling its drugs in Greece when the crisis ridden government there ordered a 25 per cent cut in the prices of all medicines sold in the country. Novo Nordisk was accused of putting profits above corporate social responsibility. Though the issue was settled later with the resumption of the sale of all its products in Greece, the episode badly dented the image of Novo Nordisk as a company with a focus on sustainability.

Faced with increased regulatory scrutiny and stakeholder activism, the challenge before the senior management of Novo Nordisk was how to tackle the issue and embed sustainability further in the company. According to them, as a global healthcare company focused on diabetes treatment, they had to often face the compassion vs competitiveness dilemma and the conflicting demands of multiple stakeholders. This also led some analysts to question the readiness of the company to face the new challenging environment. The question before Novo Nordisk's CEO Lars Rebien Sorensen (Sorensen), Kingo and other members of the senior management team was, as a global healthcare company, how could Novo Nordisk strike the right balance between compassion and competitiveness?

About Novo Nordisk

Novo Nordisk, a global leader in insulin, was formed in 1989 through the merger of two Danish companies, Novo Industri A/S and Nordisk Gentofte A/S. Novo Nordisk's roots can be traced to Nordisk Insulinlaboratorium, which was founded in 1923 to produce insulin. Novo Nordisk pioneered many breakthroughs in diabetes treatment.

After the merger, Novo Nordisk A/S rolled out many innovations like prefilled insulin syringes, oral treatment syringes, rapid acting insulin, etc. By the late 1990s, it started focusing more on international markets. In 2000, Novo Nordisk A/S was demerged into three separate companies – Novo Nordisk A/S (Novo Nordisk), Novozymes A/S, and Novo A/S. After the demerger of Novo Nordisk A/S, Novo A/S was made the holding company of the Novo Group and was wholly-owned by the Novo Nordisk Foundation. Majority shares in both Novo Nordisk and Novozymes A/S were transferred to Novo A/S. While Novo Nordisk continued to focus on pharmaceutical products and services, the enzymes business of Novo Nordisk A/S was transferred to Novozymes A/S. In the decade that followed the demerger, Novo Nordisk expanded its business across the globe and emerged as a leading pharmaceutical company in the area of diabetes care. By 2011, Novo Nordisk employed 32,000 people in 75 countries and marketed its products in 190 countries. For the financial year 2011, Novo Nordisk's revenue was Danish Kroner[b] (DKK) 66.35 billion (See **Exhibit I** for the income statement of Novo Nordisk from 2007 to 2011; **Exhibit II** for Key Yearly statistics

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[a] Insulin is used for the treatment of some forms of diabetes. Patients with Type 1 diabetes depend on external insulin (most commonly injected subcutaneously) for their survival because the hormone is no longer produced by their body. Certain patients with Type 2 diabetes may also require insulin if other medications fail to control blood glucose levels adequately.

[b] The Danish Kroner is the official currency of Denmark, Greenland, and the Faroe Islands. As of September 2012, one Danish Kroner was approximately equal to 0.1696 US$.

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CASE 4

Amazon.com's business model and its evolution

By Syeda Maseeha Qumer and Debapratim Purkayastha

In 2015, Seattle-based e-commerce giant Amazon.com, Inc. (Amazon) surprised investors by posting an unanticipated second quarterly profit in a row after struggling with profitability the previous year. In the third quarter ended September 30, 2015, Amazon's revenues increased by 20 per cent to US$23.2 billion, while net income was US$79 million, compared with a net loss of US$437 million in the corresponding quarter of the previous year. The revenue growth was attributed to the company's rapidly growing cloud-computing business, higher sales in North America, and initiatives to attract more customers. On the back of these unexpected quarterly results, Amazon shares surged, making it the most valuable retailer in the world surpassing Wal-Mart Stores Inc[1] as of July 2015[i] (See **Exhibit I** and **II**). *"They are showing investors that if they want to deliver profits, they can. Amazon is a dominant online retailer, well on its way to becoming one of the world's largest retailers,"*[ii] said Michael Pachter, analyst at Wedbush Securities Inc[2].

Launched as an online bookstore in 1995, Amazon quickly expanded beyond books to include all types of consumer goods. The company constantly innovated with its business model and moved from consumer electronics to cloud computing services and later into the technology business. Amazon's business model was built around low prices, a vast selection, fast and reliable delivery, and a convenient online customer experience. Besides offering customers a vast selection of products at low prices, Amazon also provided marketing and promotional services for third-party retailers and web services for developers. It was Amazon's relentless focus on value and selection along with innovations around shipping and handling cost reductions that had made it a leader in e-commerce, opined analysts.

Amazon reinvested much of its free cash flow in its growth. The company's strategy was to put long-term investment, market gains, and value creation ahead of short-term profits. Amazon constantly plowed cash back into the business and continued building new businesses in the hope of getting greater returns in the future. Though the strategy helped the company in capturing a larger share of the e-commerce sector, it was consistently reporting losses. In the third quarter of 2014, Amazon spent about 12 per cent of its revenues on technology and content including new-product development and licensing for music and video streaming. That led to the biggest quarterly loss the company had suffered in 14 years. Despite the lack of profits, Amazon's shareholders backed the strategy of the CEO, Jeff Bezos, of being indifferent to short-term earnings in anticipation of future profits.

According to some critics, if the huge investments made by Amazon did not work out, investors' patience would finally run out and the company would be in trouble. They felt that Amazon had boundless ambition, but going forward, the company would have to be selective about where it invested in order to turn profitable. Moreover, some analysts felt that between price-match guarantees, free shipping, and plans to go multi-channel, other competitors were finally catching up with Amazon in the online retail game. Amazon would need to work harder and meet the expectations of its customers to maintain its dominance in the highly competitive online retail sector, they added. Some analysts raised questions like: How can Amazon keep its prices low as it grows? Is it time for the company to adjust its "growth now profits later" formula? Should it stop entering new categories and markets and instead focus on making profits? Will Amazon shareholders continue to be patient?

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[1]Wal-Mart was the largest retailer in the world with annual net sales of US$482 billion in the fiscal year ended January 31, 2015. It operates a chain of retail stores in various formats worldwide.

[2]Wedbush Securities Inc is a US-based financial services and investment firm.

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CASE 5

Alphabet Inc.: Reorganizing Google*

By Syeda Maseeha Qumer and Debapratim Purkayastha

In October 2015, in an unexpected move, global technology giant Google Inc (Google) restructured itself as Alphabet Inc (Alphabet), a new holding company under which Google's noncore businesses including self-driving cars, life sciences research, high-speed Internet access, and investment divisions, were spun off as distinct entities and separated from the company's internet operations such as Android, YouTube, and the Google search engine. The businesses were reorganized into two reporting segments: 'Google' and 'Other Bets'. This marked a massive shift from the earlier setup in which Google was in charge of a number of diverse companies, some of which carried it far afield from its core search business. Under the new structure, a number of businesses including Google operated as subsidiaries of Alphabet and were run independently, each with its own CEO. According to a statement posted by Larry Page (Page) co-founder of Google, on the company's official blog, *"Fundamentally, we believe this allows us more management scale, as we can run things independently that aren't very related. Alphabet is about businesses prospering through strong leaders and independence […]. This new structure will allow us to keep tremendous focus on the extraordinary opportunities we have inside of Google."*[1]

Co-founded by Page and Sergey Brin (Brin) in 1998, Google provided internet-related services and products including web-based search, cloud computing, software applications, online advertising technologies, mobile operating systems, consumer content, enterprise solutions, and hardware products. Since its inception it had focused on innovation and come out with disruptive technologies from time to time. The company had branched out into hosting services like video and mapping, enterprise services, e-mail and chat, social networking space, payment gateway services, mobile operating software, and wireless device sales. Google's technological innovations made it one of the most recognized and valuable brands in the world.

However, over a period of time investors had begun to voice strong concern over Google expanding into areas unrelated to its core search business and into unknown territory in terms of profitability. They felt that Google had got distracted from its core web search and was hemorrhaging money in pursuing projects fancied by its founders such as developing robots and self-driving cars and studying life sciences. Investors began to question the heavy investments the company had been making in non-core businesses and the lack of clarity concerning risky investments. Analysts too found it difficult to evaluate the company's broad set of businesses and figure out their individual performances. Eventually, the senior management realized that the company had become too complex to manage and that a change was required to allow for cleaner operations and more accountability. Subsequently, they announced a radical shake-up of Google's corporate structure and management, and created a new holding company called Alphabet that would manage a collection of companies, the largest of these being Google.

Industry observers saw this move as being a response to Google's stagnant share price and an attempt to pacify investors. Some analysts lauded the move saying Google's decision to restructure itself under a new holding company would protect its core brand Google, increase the operational independence of the individual businesses, and usher in greater financial transparency across divisions. On the other hand, some analysts criticized the change and questioned how the restructuring would make the company's businesses competitively stronger and increase profitability and company valuation.

Post restructuring, Alphabet pushed for more financial discipline and accountability from its riskiest ventures. The non-core companies were struggling as they faced unprecedented pressure to bring their costs in line with their revenue. In fiscal 2016, 'Other Bets' posted a loss of about US$3.6 billion. Moreover, some key executives who were

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CASE 17

Unilever's Purpose-led Brand Strategy: Can Alan Jope Balance Purpose and Profits?

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In June 2019, six months after taking over as CEO of global FMCG giant Unilever, Alan Jope (Jope) warned that as part of its sustainability agenda, the company would dispose of brands that lacked a clear social or environmental purpose within a certain time frame. Unilever was undergoing seismic changes amid an increasing demand for brands to put purpose ahead of profit, he said, and added that in future, every brand in the company's portfolio would be purpose driven. Despite being profitable, Unilever's popular brands Marmite, Magnum, and Pot Noodle were left vulnerable to a cull, which potentially hurt the company's bottom line. "Principles are only principles if they cost you something,"[1] Jope said.

Jope's predecessor, Paul Polman (Polman), had transformed Unilever into an environmentally conscious and ethical organization that delivered strong financial growth. Under his leadership, Unilever launched the Unilever Sustainable Living Plan (USLP) in 2010 that aimed to halve the environmental impact of its products across the value chain by 2030 and to enhance the livelihood of millions of people by 2020. In 2018, Unilever's Sustainable Living Brands, that had a strong social or environmental purpose, grew 69 percent faster than the rest of the business and delivered 75 percent of the company's growth. After a decade as Unilever's CEO, Polman stepped down from his role in January 2019.

In succeeding Polman, Jope had big shoes to fill. He faced the tough task of building upon Polman's sustainability legacy while maintaining profits and boosting growth. Moreover, slowing sales growth, growing competition, the threat of direct-to-consumer brands, economic and political uncertainties in certain markets, and investor concerns over sustainability targets were huge challenges that he faced. With the 2020 target dates of the USLP fast approaching, analysts wondered whether Jope would be able to fulfill the targets or whether he would succumb to investors' demand for short-term profits being put ahead of purpose.

As Jope reiterated Unilever's commitment to a future focused on purpose, analysts wondered whether such an approach would work in an era of cost-cutting. How could Jope strike a balance between purpose and profits? What could he do to boost business growth through purpose-led brands while discontinuing certain other brands? In the words of Melissa Hoffmann, Content Director for PR News, "If Jope follows through on his threat to oust brands that don't have a strong purpose and mission beyond selling their products, it will set a new bar for other brands. But two questions remain: Will other brands follow this example? And in the end, will consumers demand it?"[2]

BACKGROUND NOTE

Unilever was created in 1930 through the merger of British based soapmaker Lever Brothers Ltd. and Margarine Unie, a Dutch company. In the subsequent decades, Unilever expanded and diversified

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CASE 18

Domino's Pizza: Business Continuity Strategy during the Covid-19 Pandemic

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"I remain highly confident in our strategy and optimistic about the opportunity and potential of our business. Our solid, resilient business model and strong financial position will continue to serve us well in these challenging times."[1]

—Ritch Allison, CEO, Domino's Pizza, US, in March 2020

"The restaurant chain is a tech leader within the food services industry and weathering the COVID-19 crisis well."[2]

—Anne Burdakin, The Motley Fool, in March 2020

On March 31, 2020, American multinational pizza giant Domino's Pizza, Inc. (Domino's) released preliminary sales results for the first quarter ended March 22, 2020—see Exhibit 1. It reported same-store sales growth of 1.6 percent for its U.S. stores and 1.5 percent for its international stores.[3] While most dine-in restaurants were grappling with the impact of the novel COVID-19[4] pandemic on their sales, Domino's was one of the few companies which had not experienced a significant downturn. This was attributed to its prowess in delivery and a new initiative—"çontactless" delivery at all its U.S. as well as international stores. Commenting on the results, Ritch Allison (Allison), CEO of Domino's, United States, said, "Across the globe, Domino's will remain focused on execution, service and value as we continue to navigate through the headwinds created by COVID-19. We are carefully managing our balance sheet, cash flow and all areas of the business to ensure we are doing what we believe will help us best manage through the near-term and, as always, position ourselves for long-term success."[5]

The COVID-19 crisis started in December 2019 in Wuhan, China. With awareness about the virus increasing, consumers had begun taking precautions to prevent transmission of the disease. With no cure or established treatment for the infection in sight, people in many countries were forced to stay indoors. While this affected many industries, the restaurant industry was badly hit as they were no longer allowed to serve dine-in customers. Worldwide, governments only allowed the food services industry to fulfill take-out and delivery orders. Domino's too was going through disruption with its 14 international markets closed and 23 international markets experiencing partial store closures. This represented around 1,400 international stores, with key markets such as

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CASE 27

Eliminating Modern Slavery from Supply Chains: Can Nestlé Lead the Way?

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In April 2019, a federal court in California filed a class action lawsuit against Nestlé SA (Nestlé) over claims the global chocolate manufacturer facilitated the use of forced child labor in West Africa even though it labeled its products as "sustainably sourced." Nestlé, one of the world's largest food processing companies, had been grappling with accusations of aiding and abetting child slavery on cocoa plantations in Ivory Coast[1] for more than a decade.

Earlier in 2015, Nestlé surprised many by admitting that it had found forced labor in its seafood supply chain in Thailand. Magdi Batato (Batato), Executive Vice President and Head of Operations at Nestlé, self-reported that Nestlé had uncovered child labor exploitation on fishing boats in Thailand that supplied its factories. He reported details of the investigation and also initiated a detailed action plan on how it intended to tackle the issue. The news generated a mixed response from industry observers. Hailing Nestlé's honesty, Brian Griffin, CEO of digital marketing agency Vero PR, said, "First of all, what Nestlé did was brave, and from a moral perspective, they did the right thing to let stakeholders know about this issue. They will feel some pain from this initially, particularly from a consumer standpoint, and it's not hard to imagine that sales of seafood products may decline. There is no question that the issue must be cleaned up, and that it must happen now. We should appreciate what Nestlé has done to bring even more attention to the issue."[2]

However, Nestlé's critics contended that the company had done this only to fend off growing criticism against it. It had admitted to slavery in seafood, a low-profit area of the company's business, while not doing enough to tackle this problem in its lucrative chocolate business. Critics accused Nestlé of turning a blind eye to human rights abuses by cocoa suppliers in West Africa while falsely portraying itself as a socially and ethically responsible company. Nestlé said it was committed to tackling child labor in its cocoa supply chain and had been taking action to address the issue which included increasing access to education, stepping up systems of age verification at cocoa farms, and increasing awareness about the company's own code of conduct. Despite Nestlé's assurances, the use of child labor continued and became even more prevalent in its cocoa supply chains. Though Nestlé's commitment to eliminating slavery seemed promising, lawsuits related to slavery in its core business operations questioned such promises, critics said.

The existence of modern slavery within its cocoa supply chain posed ethical and reputational risks for Nestlé. Analysts said addressing slavery would be a critical issue for the company going forward due to the complexity and limited visibility of its supply chain, its reputation for reliability among stakeholders (customers, investors, NGOs), transparency dilemmas, as well as cost and pricing pressures. However, some analysts said Nestlé being a financially sound company, it could do more to stop slave labor and take more control over its supply chain management. According to Marianne Smallwood, a diplomat for the U.S. Agency for International Development, "In initiating the public examination of its flaws, and in working with an organization like Verite, Nestlé has already gone a more honorable and transparent route than other companies have done. But while it has

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