

THE ROLE OF IMAGE AND TRUST IN EXPLAINING CUSTOMER LOYALTY

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Abstract

This study attempts to investigate the role of image and trust in enhancing Malaysian Islamic bank customers' loyalty. This study was carried out using data from Islamic banks and dual-window Islamic banks in Malaysia, with respect to two different customer segments (i.e. Muslim and non-Muslim). Two leading fully fledged Islamic banks (Bank Islam Malaysia Berhad and Bank Muamalat Malaysia Berhad), and two dual-window Islamic banks (Maybank and Public Bank) were involved in this study. A multiple group data analysis was used to test the significant differences between Muslim and non-Muslim customers. The results show that there were not significant differences between Muslim and non-Muslim customers on customer satisfaction, image, trust, and customer loyalty in Islamic banks. The study revealed that image was found to be positively significant to trust, and the highest level of trust leads to enhanced customer loyalty. The results of this study explain that both Muslim and non-Muslim customers trust Islamic banks. However, the possibility of customers' distrust of their banks always exists.

Keywords: *Customer satisfaction, Image, Trust, Customer Loyalty, Islamic, banks, Malaysia*

Introduction

In Malaysia, the characteristics of Islamic banks are not merely of interest to Muslim customers but clearly non-Muslims customers see benefits from such a system. For Muslim customers, they have an opportunity to invest in a bank that operates based on their religious beliefs. Meanwhile, non-Muslim customers also have the same opportunity to choose to invest their money in Islamic banks or conventional banks. In this situation, Islamic banks are competing in the same market segmentation with conventional and foreign banks. Although, there is a difference between Islamic banks and conventional banks, they are nonetheless competing in the same market in terms of offering complementary products and services (Naser & Moutinho, 1997). Islamic banking is different from the conventional banking system, but there are some similarities between the two. For example, all banking facilities such as saving accounts, current accounts, credit cards, and other products and services are available at Islamic banks (Naser & Pendlebury, 1997; Naser et al., 1999).

Today, highly competitive and available of products and services more innovative in Malaysian banking markets, the competition to attract and retain Muslim and non-Muslim customers is likely to increase. For example, Bank Islam Malaysia Berhad (BIMB) reported that some 70-80 percent of the banks' trade and corporate financing are with non-Muslim customers (Malaysian Business (Ngui, 2004). Interestingly, both Muslim and non-Muslim

customers showed a good understanding in term of products and services offered by Islamic banks in Malaysia (Muslim & Zaidi, 2008). This evidence indicated that Islamic banks in Malaysia are widely accepted by non-Muslim customers. However, the issue of trust that products and services offered by Islamic banks are compliant with *Shariah* requirements is increased. In Malaysian context, Muslim and non-Muslim customers level of trust will be partly based on whether they believe that the Islamic banks will fulfil its promises, although, the way in which trust impact it has on Islamic banking outcomes are not yet well investigated. In this sense, when Islamic banks are operated based on Islamic *Shariah*, trust becomes even more important dimension in gaining the customers than trust in the conventional banks. For this reason, the objective of this study is to investigate the role of trust in enhancing Malaysian Islamic banks customers' loyalty, with respect to two different customer segments (Muslim and non-Muslim). This study was carried out using data from Islamic banks and dual-window Islamic banks in Malaysia. Little research has been conducted and minimal attention has been given to the relationship between image, trust and loyalty, particularly using customers from the two different segments, Islamic banks and dual-window Islamic banks, especially in the context of Malaysia. Thus, it is important for Islamic banks to understand and analyze the impact of such relationships. This study proposes that the differences in these two consumer segments can cause a significant difference in their behavioural decisions. Therefore, a better understanding of the concept of trust will help Islamic banks build a long term relationship with their customers.

Trust concept in Islamic banks

Trust is a focal key in the development of the relationship between banks and customers. It is also acknowledged in marketing theory as the basic policy in developing and sustaining long-term relationships (Crosby *et al.*, 1990; Doney & Canon, 1997; Ritter, 1993), to build a mutually beneficial relationship with customers on the basis of mutual trust (Dayal *et al.*, 2001), and to enhance competitiveness (Barney & Hansen, 1994). Generally, trust is viewed as an essential element for successful relationships (Berry, 1995; Morgan & Hunt, 1994; Moorman *et al.*, 1993).

Defining the concept of trust is difficult. This is due to the fact that this subject is somewhat vague and difficult to define (McKnight & Chervany, 2002), and has a dynamic and multi-faceted character (Lewicki & Bunker, 1996). Although, trust has different meanings from the perspective of various disciplines (i.e. psychology, economic, finance, marketing, and religion), and has been studied in a variety of disciplines, every discipline has its own understanding and concepts in defining trust, and consequently, there is no consensus on its definition (Lewis & Weigert, 1985; Young & Wilkinson, 1989). For example, Morgan and Hunt (1994) explained that trust exists when one group has the confidence to engage in a relationship with another trustworthy and honest party. This definition is in line with the one proposed by Moorman *et al.*, (1992), where trust is defined as the willingness to engage in partnership. The elements of confidence and reliability from both parties are crucial in building trust. Furthermore, Moorman *et al.*, (1993) explained that trust has two approaches. First, trust is defined as belief, confidence, or where there is an expectation on a trusted partner who has expertise, reliability, and intentionality. Second, trust is also perceived as the intentional behaviour or the behaviour that reflects partner's trust, and it involves the element of uncertainty and vulnerability on the party who is trusting. Similarly, Garbarino & Johnson

(1999) defined trust as customer confidence in the quality and reliability of the services offered by the organization.

In the Islamic banking industry, trust is also an important indicator that plays a major role in sustaining a long-term relationship with customers. However, when studying trust in Islamic banking, one should consider that trust in Islamic banking has a different definition and distinct constructs from trust definition in conventional and online banks. According to Hanafi and Sallam (1997), trust is a moral obligation of every individual in the performance of his or her duties and social, political, and economic life. The performance of duties requires that individuals do it with sincerity and devotion in building a relationship with others. Similarly, Ahmad (1997) stated that the essence of trust is accountability, while the principle of trust is honesty and keeping one's word in performing social activities, as well as in one's political and economic life, and all other aspects of human life (Choudhury & Hussain, 2005). This value has profound implications for the conduct of business. Therefore, the values of honesty should be seriously considered and maintained by all parties in running economic and social activities within society. In this sense, Islamic law encourages trust to be implemented in business transactions as it is one of the principles of the Islamic way of doing trade, and trade is done on the basis of trust and loyalty to trustworthiness (Hanafi & Sallam, 1997; Haron & Shanmugam, 2001; Wilson, 1997). Furthermore, this approach is intended to stress that fraud in business for obtaining profit cannot be acknowledged as a system of Islamic trade or as a trustworthy trade (Siddiqui, 1992).

From the perspective of Islamic principles, Islam places the highest emphasis on trust and considers being trustworthy as an obligatory personality trait. Thus, the foundation of the philosophy of the dimension of trust in the Islamic banking system can be seen as a symbol of trustworthiness (*amanah*), honesty, equity, equality amongst human beings, and moral values that are established to enhance their business relationship between banks and customers (Haron & Shanmugam, 2001; Ahmad, 1997; Hanafi & Sallam, 1997; Sauer, 2002). Similarly, belief values (*aqidah*), ethics (*akhlaq*) and compliance with Islamic principles (*Shariah*) are highly regarded and sustained as pillars in running Islamic banking activities, which is based on trust (Ismail, 1992; Othman & Owen, 2001). However, in Islam, the principles of truthfulness and honesty are not to be followed as matters of policy or business strategy, but are the obligations of a true Muslim. Trust is a moral virtue and duty incumbent on a Muslim in the performance of his/her affairs, and the cornerstone of the relationship of individuals with God (*Allah*) and others in society (Iqbal & Mirakhor, 2007).

Researches on Islamic banks are numerous. They concluded that the customers established relationship with Islamic banks because the customers believe that Islamic banks are *Shariah* compliant (Othman & Owen, 2002; Metwally, 1996; Metawa & Almosawi, 1998; Naser et al., 1999; Okumus, 2005). However, the religious aspect is also one of the main criteria to be considered in selecting banks. For example, Hegazy (1995) concluded that religion was the primary factor in the choice of an Islamic bank in Egypt. Similarly, Haron et al., (1994) suggests that 39 percent of the Muslim customers believe that the religion is the only reason why they patronize the Islamic banks in Malaysia. However, there were significant differences in perception between Muslim and non-Muslim customers on Islamic banks in Malaysia for some factors such as speed and efficiency of transactions; the bank employees provide services at the promised time; range of products and service ; employees of bank are

always willingness to help; fast and efficient counter services; employees of bank are polite and friendly ; 24 hours availability of ATM (Muslim & Zaidi, 2008).

Although, Islamic banks products and services are mostly similar to that of conventional banks, but their approaches is distinctly different (Metwally, 1997; Naser & Moutinho, 1997; Iqbal & Mirakhor, 2007, Warde, 2000). In order to understand how the Islamic banks are different from conventional banks, one has to look at the differences in ideology (*Shariah* law). The term of Islamic banking means the banking operations is based on Islamic principles. Thus, Islamic banks are not to have the same philosophies and objectives as adopted by the conventional banks. In Islamic banks, all transactions are based on the concept of honesty, justice, trust and equity. These principles are expected not only to have significant impact on the decision-making process of Muslims, but also have influence on their perceptions towards Islamic banks (Haron & Azmi, 2008).

Customer satisfaction, image, trust, and customer loyalty

Oliver (1980) explained that customer satisfaction is full meeting of customer expectation of the products and services. If the perceived performance matches or even over customers' expectations of services, they are satisfied. If it does not, they are dissatisfied. According to this theory, expectations are influenced by the prior customer experiences with the products and services, and the customers must have experienced with a service (Brunner et al., 2008). Generally, there are two general conceptualizations of satisfaction, namely, transaction-specific judgments and cumulative satisfaction (Nguyen & LeBlanc, 1998). Transaction-specific judgments is a customer's evaluation of his or her experiences and reactions to a particular service encounter (Cronin and Taylor, 1994; Boshoff & Gray, 2004; Bolton & Drew, 1991), and cumulative satisfaction refers to the customer's overall evaluation of the consumption experience to date (Parasuraman et al., 1994). This implies that satisfaction reflects the degree to which a consumer believes that the possession and/or use of a service evoke positive feelings based on disconfirmation paradigm in process theory (Rust & Oliver, 1994). When customers are satisfied with the services rendered, the customer attitude toward the company is improved, and this attitude will then affect the consumers' satisfaction with the company (Andreassen and Lindestad, 1998).

Previous research has been identified various factors that determine customer satisfaction in Islamic banking, for example Almosawi (2001) indicated that young customers places more emphasis on factors like a bank's reputation, friendliness of bank personnel, convenient location, 24-hours ATM, and availability of parking space in selecting their banks in Bahrain. Erol and El-Bdour (1989) revealed that factors such as the bank's reputation and image, fast and efficient services, and confidentiality were the main criteria in selecting their bank in Islamic and conventional banks. According to Levesque & McDougall (1996), convenience and competitiveness of the bank are two important factors which are likely to influence the overall satisfaction levels of a customer. Additionally, there were no significant differences between both Muslim and non-Muslim customers in this respect in Malaysia. For example: fast and efficient service; friendliness of bank personnel; confidentiality of bank; speed of transaction are the key criteria which they has satisfied by their banks (Haron, et. al, 1994). The bank's ability to deliver these benefits on an on-going basis probably influences the level of customer satisfaction.

Moreover, satisfied customers are more likely to engage relationship with their bank. For example, customer satisfaction has a positive impact on loyalty (Cronin et al., 2000; Fornell, 1996; Reichheld, 1993; Selness, 1993; Bloemer et al., 1998; Zeithaml et al., 1996; Boulding et al., 1993; Nguyen & LeBlanc, 1998). Anderson and Sullivan (1993) stated that positive repurchase intentions are affected by satisfaction, and customers will stay loyal to a company when there is an increase in the satisfaction level. Meanwhile, unsatisfied customer tends to create negative word of mouth and convey their negative impression to other customers (Lewis, 1991; Newman, 2001; Caruana, 2002). The relationship between customer satisfaction and corporate image were well established. For example, Bontis et al., (2007) found that customer satisfaction enhances reputation in the banking industry, whereas Anderson and Sullivan (1993) found that customer satisfaction leads to enhance reputation, and improves image (Andreassen & Lindestad, 1998). However, limited explanation is given to justify this relationship in the Islamic banking context, especially in Malaysia. Therefore, the following hypothesis is formulated:

- H1. Customer satisfaction will be positively correlated to image
- H2. Customer satisfaction will be positively correlated to customer loyalty

Image has been described as an attitude (Hirschman *et al.*, 1978), and as a combination of product characteristics that are different from the physical product but are nevertheless identified with the product (Erickson *et al.*, 1984). On the company view point, image is defined as perceptions of a company reflected in the associations held in consumer memory (Keller, 1993). From this perspective, Kennedy (1977) noted that image has two principal components, namely functional and emotional. The functional component is related to tangible dimensions that can be easily identified and measured, while the emotional component is associated with psychological aspects that are manifested by individual experiences and attitudes towards a company. Although, image has both dynamic and complex definitions, most researchers agree that image is the result of a process; therefore, corporate image is the result of an aggregate process by which customers compare and contrast the various attributes of firms (LeBlanc & Nguyen, 1996; Nguyen & LeBlanc, 2001). According to Kang and James (2004), a favourable and well-known image is viewed as an asset for any firm as in many respects image has an impact on customers' perception of the communications and the operations of the firm. Furthermore, Kang and James (2004) explained that if a customer has a positive image of the service provider, minor mistakes made by the service provider will be forgiven by the customers. If a customer has a negative image of the service provider, the impact of any mistake will often be magnified in the consumer's mind. Therefore, image can be viewed as a filter in terms of a customer's perception of quality (Kang & James, 2004). In this respect, some researchers suggest that corporate image is "the net result" of the interaction of all experiences, impressions, beliefs, feelings, and knowledge that people have about a company (Worcester, 1997).

When services are difficult to evaluate, corporate image is believed to be an important factor influencing customers' evaluation of satisfaction with the service (Johnson *et al.*, 2001; Bolton and Drew, 1991), service quality and loyalty (Zeithaml *et al.*, 1996; Andreassen and Lindestad, 1998; Veloutsou *et al.*, 2004; Selnes, 1993). However, loyalty is determined by image (Mazursky & Jacoby, 1986; Osman, 1993). As Sirgy and Samli (1989) explained that there is a positive relationship between image and loyalty, and this resulted from customers'

evaluation on the perceived quality that is received from the company. However, the relationship between image and loyalty is unclear; Bloomer *et al.*, (1998) discovered that image is indirectly related to bank loyalty through perceived quality. Whereas, service quality is both directly and indirectly related to bank loyalty through satisfaction, image plays much smaller role in terms of loyalty (Brunner *et al.*, 2008). Meanwhile, Bontis, *et al.*, (2007) explained that the relationship between customer satisfaction and banking reputation was significant, and banking reputation served as a median that linked customer satisfaction with customer loyalty. Although, Nguyen and LeBlanc (1998) suggest that there was no significant relationship between customer satisfaction and image, the relationship between image and loyalty was significant, with customer satisfaction having greater influence on loyalty than image. Similarly, Zeithaml and Bitner (2000) argued that corporate image would significantly influence customer perceptions of the service company's operations and would be reinforced by actual service experiences.

Moreover, Ball *et al.*, (2004) found that image has an indirect impact on loyalty through satisfaction and trust, and trust has a significant impact on loyalty. Furthermore, Ball *et al.*, (2004) concluded that although the relationship between image and loyalty in the banking industry is important, the relationship is mediated by satisfaction and trust indirectly. Accordingly, Flavian *et al.*, (2005) conducted a study on the relationship between corporate image and trust in conventional and the online banking industry. The results suggested that corporate image plays an important role in the formation of customer trust in the two banking segments: traditional and online. Therefore, the corporate image is very important factor of trustworthiness (Mukherjee & Nath, 2003). Ba (2001) explained the impact of reputation on trust as where customers felt discouraged to commit to a bank when they felt that the bank had a bad reputation. It appears that when a customer trusts a brand, that customer is also likely to build a positive behavioural attitude towards the brand (Lau & Lee, 1999). In this respect, trust is acknowledged as an important indicator in developing customer loyalty (Singh & Sideshmukh, 2000; Sirdeshmukh *et al.*, 2002; Lim & Razzaque, 1997; Garbarino & Johnson, 1999; Fournier, 1998; Lau & Lee, 2000; Chaudhuri & Holbrook, 2001). For example, Morgant and Hunt (1994) explained that trust develops positive attitudes in enhancing customer loyalty, and Ha (2004) suggests that high level of trust may turn a satisfied customer to be loyal. Although, in Islamic banking, the customers are not significantly concerned about the reliability and image of the service they received, but they are more concerned with the impressions of sincerity, trust, and the religious aspects of the service (Jabnoun & Khalifa, 2005). In this sense, it can be said that customers are probably loyal to banks because they have a high level of trust in their banks. Therefore, one could argue that cumulative image and trust perceptions will affect cumulative customer behavioural intentions over time. Accordingly, the following hypothesis is formulated:

H3. Corporate image will be positively correlated to trust

H4. Trust will be positively correlated to customer loyalty

Methodology

To study for differences in market segmentation between the customers of the two types of Islamic banks, a survey was conducted of the two different customer segments, namely, Muslim and non-Muslim in Islamic and dual-window Islamic banks in Malaysia. In this

study, respondents are customers of both type of Islamic banks and include Muslim and non-Muslim customers.

In Malaysia, Islamic banks and dual-window banks operate side by side. Islamic banking is conducted on the basis of Islamic principles, particularly the prohibition of giving or taking interest. The argument is that taking the interest before a completed economic activity is unfair. Islamic banking is based on the idea of profit sharing after the economic transaction has been completed. Thus, the bank could theoretically lose money if a business venture fails to yield a profit. As far as Islamic law is concerned, it is unfair if the bank gains a profit while the entrepreneur suffers a loss (Siddiqui, 1992). Similarly, dual-window banking is a bank that could have two windows under the same roof, one for conventional banking operations and the other for interest-free transactions based on *Syariah* laws (Warde, 2000, pg.126). Generally, Islamic window banks are not independent financial institutions, but are specialized set-ups within conventional financial institutions that offer *Syariah* compliant products and services to their clients (Iqbal & Mirakhor, 2007, pg.120). The number of conventional banks offering an Islamic window is growing and they are pursuing the market aggressively. Today, there are twelve full-fledged Islamic banks and eight dual-window Islamic banks offering products and services based on Islamic principles in Malaysia (Bank Negara Malaysia, 2008).

Two leading fully fledged Islamic banks (Bank Islam Malaysia Berhad and Bank Muamalat Malaysia Berhad), and two dual-window Islamic banks (Maybank and Public Bank) are involved in this study in eight different states of Peninsula Malaysia. Two branches in each state for two full-fledged Islamic banks, and two branches in each state for two dual-windows Islamic banks. The respondents were from four branches in each state for eight states (32 branches). The Islamic banking sector was chosen because it represents one of the typical service sectors involved in developing economic growth in Malaysia.

The quota sampling technique was used for this study. Quota samples attempt to ensure that the sample is representative by selecting sample elements in such a way that the proportion possessing a certain characteristic is approximately the same as the proportion in the population (Malhotra *et al.*, 1996). To develop these quotas, the researcher lists relevant control characteristics and determines the distribution of these characteristics in the target population. The relevant control of the demographic characteristics for the quota sample was determined based on the characteristics of Malaysian banking customers – 18 years old and above, male/female, Muslim/non-Muslim, education, and occupation. The sample elements within each quota were selected based on convenience sampling. The data was collected from personal interviews using questionnaires as a measurement tool, which were conducted during the period April to July 2007.

Image was measured by adapting four indicators suggested by LeBlanc and Nguyen (1996) and Flavian *et al.*, (2004). Four indicators to measure customer loyalty by adapting items from Zeithaml *et al.*, (1996), and four trust indicators from Flavian *et al.*, (2005), Ball *et al.*, (2004), and Othman and Owen (2002). A seven-point Likert scale was used to measure the level of image, trust, and customer loyalty ranging from “strongly disagree” (1) to “strongly agree (7)”. Meanwhile, four customer satisfaction indicators were measured by adapting scales developed from Fornell *et al.*, (1996) and Levesque & McDougall (1996). In addition,

to measure the customer satisfaction a seven-point scale was used ranging from “1 = very unsatisfied” to “7 = very satisfied”.

Characteristic of Sample Populations

A total of 660 questionnaires were distributed, and 440 were returned (66.7 percent response rate). Based on a descriptive analysis, the majority of respondents for this study were men (53.4%), with women (46.6%). In terms of age category, the largest group of respondents was between 35 and 44 years old (34%), and the smallest group was 55 years and above (2.7%). Muslim respondents were 71% and non-Muslim 28.9%. In terms of status, the majority of the respondents were married (64.8%), whereas single were 32.3%. In terms of career, the majority of the respondents (79.83%) were professionals (government servants, private employees, and self-employed), and the lowest number of respondents were pensioners (8 percent).

Measurement Model Evaluation

Two stage analysis procedures were utilized to test the measurement model proposed in this study. First, a confirmatory factor analysis was employed to specify the pattern by which each measure loads on a particular factor (Hair *et al.*, 2006; Byrne, 2001; Anderson & Gerbing, 1988). Second, the squared multiple correlation was conducted to measure each indicator and how well an item measures a construct (al-Hawari & Ward, 2006; Holmes-Smith, 2001; Hair *et al.*, 2006). The first run of squared multiple correlation showed that the majority of the measurement items indicated greater than 0.5, which indicates a good reliability level (Holmes-Smith, 2001). By checking the squared multiple correlations for each measurement item, three items were dropped as the R^2 values were less than 0.5 (the overall service quality provided by my bank is excellent, Islamic banks have a good reputation in service quality, and I believe the products offered by Islamic banks are more profitable). The effect of high R^2 values indicated acceptance of model fit. As a result of this procedure, the measurement model retained thirteen observed indicators from the original sixteen that were derived to estimate the model fit. A re-run CFA was conducted, and the results of measurement model showed fit to the sample data. Table 1 shows the factor loadings, Cronbach's α , AVE (average variance extracted) for customer satisfaction, image, trust, and customer loyalty.

To test the reliability of customer satisfaction, image, trust, and customer loyalty instruments, the Cronbach's alpha coefficient was computed. The coefficient alpha exceeded the minimum standard of 0.70 (Nunnally & Bernstein, 1994), which indicates that it provides a good estimate of internal consistency reliability. The coefficient alphas obtained greatly exceeded the minimum acceptable values 0.881, 0.885, 0.901, 0.931, respectively (customer satisfaction, image, trust, and customer loyalty). To assess the convergent validity for each construct, the standardized factor loadings were used to determine the validity of the four constructs (Anderson & Gerbing, 1988). The findings indicate that each factor loading of the reflective indicators ranged from 0.771 to 0.928 and exceeded the recommendation level of 0.50. As each factor loading on each construct was more than 0.50, the convergent validity for each construct (customer satisfaction, image, trust, and customer loyalty) was established, thereby providing evidence of construct validity for all the constructs in this study (Hair *et al.*, 2006; Anderson & Gerbing, 1988). Meanwhile, average variance extracted was calculated

for assessing discriminant validity for four constructs (Hair et al., 2006), and the average variance extracted ranged from 0.72 to 0.78.

Table 1 Validity and reliability for customer satisfaction, image, trust, and customer loyalty dimensions

	Factor loadings	AVE	α
Customer Satisfaction			
I am satisfied with employee's response and prompt services	.808		
I am satisfied with financial services advice	.885		
I am satisfied with products and services provided by my bank	.842	.72	
	.881		
Image			
Islamic banks have competent and efficient staff reputation	.881		
Islamic banks image	.907		
Islamic banks offer the attractive product and services	.771	.73	
	.885		
Trust			
Islamic banks are truly concerned with Islamic principles	.916		
I believe that deposits in Islamic banks are safe	.787		
I believe the products and services offered are based on Islamic <i>Shariah</i>	.928	.77	
	.906		
Customer Loyalty			
Customers intention to say positive things about Islamic bank to other people	.865		
Willingness to recommend family and relatives to do business with Islamic banks	.903		
Recommend Islamic banks to someone who seeks advice	.905		
Continue to do more business with Islamic banks	.848	.78	
	.931		

Multiple Group Analysis

In order to find whether or not components of the measurement model are invariant across particular group, a multiple group analysis was conducted on the two groups (Muslim and non-Muslim) using AMOS 5. The main purpose of a multiple group analysis is to find out the extent to which groups differ. For specifying group differences in a multiple group analysis: all groups have the same path diagram unless explicitly declared otherwise; unnamed parameters are permitted to have different values in different groups; parameters in different groups can be constrained to the same value by giving them the same label (Byrne, 2001; Joreskog and Sorbom (1996).

Before running the AMOS program for testing invariance across multiple group samples, a base line model was established for both customers (Muslim and non-Muslim) separately. Since the base line models fitted well for customers groups, additional levels of constraints were introduced namely for measurement and structural models. However, According to

Bentler (1995) and Joreskog and Sorbom (1996) in testing for invariance, equality constraints are imposed on particular parameters, and thus the data for all groups must be analyzed simultaneously to obtain efficient estimates (as cited in Byrne, 2001 p.176); the pattern of fixed and free parameters nonetheless remains consistent with the baseline model specification for each group. As seen in Table 2, overall fit of the Muslim model was $\chi^2 = 205.469$ (ρ -value = 0.001), with a GFI of .909 and CFI of .960, whereas for non-Muslim model was $\chi^2 = 153.655$ (ρ -value = 0.001), with a GFI of .834 and CFI of .938.

Table 2 Result of baseline model for Muslim and non Muslim

Group Delta2	χ^2/df	ρ -value	CFI	GFI	RMSEA	PCLOSE	
Muslims	205.469/60	0.001	.960	.909	.07	.000	.960
Non-Muslims	153.655/60	0.001	.938	.834	.08	.000	.939

Structural Equation Models

To test the hypotheses, a structural equation modelling approach was employed using AMOS 5. Maximum likelihood estimation was utilized with the covariance matrix as the input matrix. In this study, the goodness-of-fit statistics was the main criteria used in testing the hypothesis models. Regression weight was used to test the hypotheses and the impact of the exogenous variables on endogenous variables. Absolute fit statistics was used to determine the degree of measurement model and a structured model was best for the size of the samples. Incremental fit measurement was used to compare between the intended model and base model. Parsimonious fit was used to identify the level of excellence obtained. The cut off value for the goodness-of-fit indices was based on the recommendation of Hair *et al.*, (2006).

In structural equation modeling, testing for invariance of parameters across groups is accomplished by placing constraints on particular parameters (Byrne, 2001). In particular, the parameters are specified as being equivalent through a labeling mechanism whereby each parameter to be held equal across groups is given a label for all factor loading and all factor variances be constrained equal across Muslim and non-Muslim.

Table 2 shows the research model, which indicates the acceptable goodness-of-fit indices model. The chi-square value was expected to be significant due to the large sample size ($\chi^2 = 411.492$, $\chi^2 / degree\ of\ freedom$ (χ^2 / df) ratio 3.373, $\rho = 0.001$). In this study, the two fit indices for CFI and TLI were greater than 0.90 thresholds for acceptability, and the GFI value of 0.865 was lower than the commonly cited thresholds of 0.90, but this value was in the range of recommended levels. Because the GFI values are considerably influenced by sample size and non-normality of the measures, the comparative fit index (CFI) is as an alternative measure of fit (Burton *et al.*, 1998). Meanwhile, Yen and Lu (2008) and Doll *et al.*, (1994) argued that a GFI ranging from 0.8 to 0.9 could be interpreted as a reasonable fit and a score of 0.9 or higher is considered as a good fit. The RMSEA value should be below the cut-off value of 0.08 for good model fit (Hair *et al.*, 2006). Overall, all statistical results show an acceptable model fit and the hypotheses proposed in this study were supported.

The path coefficients presented in Table 3, indicates that customer satisfaction has statistically significant positive effect on image and customer loyalty for Muslim and non-Muslim customers. For non-Muslim customers, customer satisfaction has a greater effect on image and customer loyalty. Meanwhile, image has greater effect on trust and trust has greater effect on customer loyalty for non-Muslim customers. However, the multiple group analysis did not show a significant differences estimate parameters between customer satisfaction, image, trust, and customer loyalty for both Muslim and non-Muslim customers (see Table 4). Hence, this path between the two customers was not compared (Kumar & Lim, 2008).

Table 3 Standardized regression weight estimates for Muslim and non-Muslim customers

Description		Estimates		p-values
		Muslims (n=315)	non-Muslims (n=125)	
Image	← Customer Satisfaction	.886	.906	0.001
Trust	← Image	.831	.883	0.001
Customer Loyalty	← Trust	.244	.308	0.001
Customer Loyalty	← Customer Satisfaction	.512	.585	0.001

Chi-square ($\chi^2 = 411.492$), df = 192

CMIN/DF = 3.373, GFI = 0.865, CFI = 0.944, TLI = 0.926, RMSEA = 0.07

Notes: significance at the 0.05 level

Table 4 Nested model comparison for Muslim and non-Muslim customers

Model	DF	CMIN	p-values
Measurement weights	9	10.794	0.290
Structural weights	13	11.543	0.407

Notes: significance at the 0.05 level

Discussion

Hypothesis 1: Customer Satisfaction and Image

Customer satisfaction was found to be positively related to image as predicted. The results show that the customer satisfaction indicators (I am satisfied with employee's response and prompt services; I am satisfied with financial services advice; and I am satisfied with products and services provided by my bank) provided an indication in developing an image of Islamic banks. It can be concluded that the hypothesis that customer satisfaction is positively correlated to image is supported.

Thus, Islamic banks should pay greater attention to increasing customer satisfaction to an extent that it will have a positive impact on image. This approach will not only assist banks in sustaining their existing customers but will also help them develop their banking image. Good image is an asset to banking because image affects customer perception of banks. When customers have a positive image in their minds of the banks, small errors made by

banks are pardonable by customers. However, when the errors are committed repetitively, the banks image will be tarnished. When the banks image is negative, the customers' view of banks will be affected, too (Kang & James, 2004). Therefore, the dimension of customer satisfaction plays a significant role in enhancing image of Islamic banks in Malaysia.

The result of this study is consistent with Bontis *et al.*, (2007), Hong and Goo (2004), who explained that the higher customer satisfaction, the better the corporate image is. However, in their study there is no statistical significance that image will effect customer satisfaction. Similarly, Nguyen and LeBlanc (1998) point out that customer satisfaction has an indirect impact on image through value. Meanwhile, Veloutsou *et al.*, (2004) said that image has a positive impact on customer satisfaction, not the other way around. Furthermore, customer image significantly influences customer satisfaction, and for customers with a low self-reported service expertise, image is the strongest driver of future intended repurchases behaviour (Andreasson & Lindestad, 1998). However, literature on banking is widely agreed that improvements made on the aspects of satisfaction and quality of service will contribute to the creation of a positive image (Anderson & Sullivan, 1993; Wang *et al.*, 2003).

Hypothesis 2: Image and Trust

The path between image and trust is statistically significant and supports hypothesis 2. This finding suggests that a good image is an important aspect for banks in sustaining their market position and creating a long term relationship with customers. The image indicators, such as Islamic banks have competent and efficient staff reputation, Islamic banks image, and Islamic banks offer the attractive product and services have contributed to the development of image towards Islamic banks for both Muslim and non-Muslim customers.

This study was consistent with Flavian *et al.*, (2005) who found that banks image played a major role in the development of customer trust in conventional and online banking. Furthermore, Barich and Kotler (1991) support this view by explaining that banks will have a strong image when customers believe that they will gain the highest value upon obtaining something from the banks. Factors such as product quality and good service as well as reasonable price will affect customers' evaluation in the development of image. Moreover, Barich and Kotler (1991) suggested that banks will only possess a good image when customers trust that they will gain service and satisfaction that is higher than what they expected.

Hypothesis 3: Trust and Customer Loyalty

The relationship between trust and customer loyalty is significant. This means that trust affects loyalty, thus hypothesis 3 can be accepted. The significant relationship between customer trust and customer loyalty is due to both Muslim and non-Muslim customers having a high level of trust in Islamic banks. Trust indicators such as Islamic banks are truly concerned with Islamic principles, 'I believe that deposits in Islamic banks are safe', and 'I believe that the products and services offered are based on Islamic *Shariah*' emerged as the most significant predictors in enhancing both Muslim and non-Muslim customers loyalty.

Interestingly, these links indicate that factors such as customer intention to say positive things about Islamic banks to other people; willingness to recommend family and relatives to do business with Islamic banks; recommend Islamic banks to someone who seeks advice; and

continue to do more business with Islamic banks emerged as the most significant indicators of customer loyalty. In this context, when customers are unwilling to trust Islamic banks, they are also unwilling to be loyal. At the same time, when customers believe that the operations of Islamic banks are truly concerned with Islamic principles, the intention of customers to switch to other banks is minimised. This means that there is trust in the hearts of Muslim and non-Muslim customers towards Islamic banks. Furthermore, Muslim customers will not only earn benefits in the form of savings profit and deposit peace of mind but will also receive spiritual benefits namely avoiding usury as the system that runs on Islamic banking is *halal*¹ in *Shariah*. According to Fournier (1998), trust plays an important role in enhancing customer loyalty, because when customers trust one another, it is likely that customers establish a positive behavioural intention towards others. Moreover, the importance of trust in determining customer loyalty was supported by a number of researchers (Lim & Razzaque, 1997; Garbarino & Johnson, 1999; Chaudhuri & Holbrook, 2001; Singh & Sirdeshmukh, 2000; Sirdeshmukh *et al.*, 2002; Rexha *et al.*, 2003; Ba, 2001; Flavian *et al.*, 2006).

Managerial Implications

The results of this study demonstrate that both Muslim and non-Muslim customers trust Islamic banks, however, the possibility of customers distrust of their banks always exists. When customers feel distrust to their banks, the relationship between customers and banks will not be solidified (Morgan & Hunt, 1994). Thus, the impact of developing trust in Islamic banks is not just for the durability of interactive relationship between banks and customers, but the performance of the Islamic banks in convincing customers that basing its business operations on Islamic *Shariah* is necessary. Normally, of course, customers want the Islamic banks to fulfil the promises and guarantees as part of their concern of being *Shariah* compliant. For example, Islamic banks need to make sure that their clients business activities do not involve elements that are prohibited by Islamic law such as gambling (*maisyir*), uncertainty (*gharar*), interest (*riba*), casino, and excessive risk (Ahmad, 2000). Similarly, in order to encourage individuals to invest in Islamic banks, it is important to realize that these individuals need to trust that Islamic banks have the ability to materialize investment opportunities that are in accordance with Islamic *Shariah*. Consequently, Islamic banks should provide secure banking products to customers that are free from usury, so that the products are fully protected by Islamic principles and, therefore, customers trust and confidence in building a long term relationship can be maximised. This should be considered by Islamic banks, as Muslim customers in Malaysia hold strong religious values, and this will have a significant impact that will influence customers' decision-making behaviour. Indeed, these values are a platform that will guide Islamic banks to be in the right path and balanced corridor. This platform will form a system that will build trust between customers and Islamic banks. The establishment of the *Shariah* Advisory Council by Islamic banks to monitor and ensure that all banking operations and activities are in line with Islamic *Shariah* is also an important factor in enhancing trust.

Apparently, Muslim and Zaidi (2008) discovered that both Muslim and non-Muslim customers have a good relationship with Islamic banks, and there is a relatively high degree of stability maintaining relationships between them. In addition, new customers' decision on whether they will continue the relationship with Islamic banks or recommend it to other

¹ *Halal*: products that fulfil the criteria laid out by Islam of being acceptable for use.

customers are based on their perception of image and trust towards Islamic banks. Generally, the customers believe that the image of Islamic banks is *Shariah* compliant. A favourable image will reinforce customers' confidence in their bank, and encourage customers' to resist competitive offering. When this happens, Islamic banks will be able to curb customers' desire to switch to others. At the same time, poorer relationships lead to increased potential for switching (Chakravarty *et al.*, 2004), and low loyalty and defection (Holmlund & Kock, 1996). However, Islamic banks have to recognize that customers' tend to terminate their relationship may be caused by dissatisfaction or attractive products offered by bank competitors. Therefore, Islamic banks need to look deeply inward to truly understand their identity, and then build emotional appeals with their customers.

Future Research

There were several limitations encountered in this study that should be considered. First, need to identify the differentiate types of image, trust and loyalty, and expansion of the dimensions in sub-construct of the present model should be considered for future research. Second, customers' desire to switch to other banks due to the higher profit that they will gain should be the main focus of Islamic banks. Therefore, future studies should include the dimension of price as one of the dimensions in measuring the impact of loyalty. Determining measurement of loyalty accurately and analysis on the impact of advertising, attitude, trust and commitment will help in explaining the role of loyalty in the relationship between customers and banks. Lastly, there is a need to consider expanding the scope of the study in the future by conducting studies on online Islamic banks.

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Employee Retention Model and Job Performance: A Critical Review

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Abstract:

Retaining talent remains a primary concern for many organizations during days of intellectual property, and intellectual capital became the critical components of wealth creation. This study intends to make a critical review available literature on the complex yet relationship between individual job performance and employee turnover. An integrative model of the relationship is proposed which argues that performance character may lead to withdraw tendency even turnover behavior through four different routes. Firstly, performance may influence withdraw tendency through traditional variables of movement desirability which described with job satisfaction and organization commitment, affective evaluations of the desire to leave the organization; Secondly maybe is through actual and apperceived mobility. Thirdly, should lie on the mediated route of job-coupling, and last one may led more directly to turnover in response to performance-related shocks to system. The model is proposed to executive or others interested in preliminary form to encourage discussion and suggestions.

Keywords: Job Performance, Withdraw Tendency, Retention Model, Job Coupling, Social Capital

Introduction

In human resource management research and practice, the employee retention, for talent, is the opposite of turnover or loss, which involves the question of organization employee movement. Therefore, research in this area by the mainstream school (mainly the Organizational Behaviour School) may naturally evolve to the research of affecting factors to employee turnover, in the meantime, mainstream scholars believed that the positive or negative influence from these factors may either promote employee retention or turnover (Zhang, 2004).

In the research on employee's retention, voluntary turnover may also attract the most attention, because employee movement including other domains, such as recruitment (exterior inflow), personnel allocation, position adjustment (internal inflow), job displacement and dis-employment may be the management activity which can be controlled by the organization. However, the other talents who expect for voluntary turnover often have relatively high human capital value, and their turnover behaviour can cause serious results to organization out of control (Zhang, 2006).

As for the study on Voluntary Turnover Model, which attract the most attention in both academic and management groups for a long time, voluntary turnover of knowledge and management talents also can be the main research dimension (Eriksson 2001, Potter and Timothy, 2003), because this kind of talents might be the organizational core human capital,

and it is practically significant to highlight influence to organization competitive advantages for their turnover behaviour (Lee, Steven and Maurer, 1997; Shaw and Jason, 1999; HoukesInge, 2001). In view of the validity of the organization human resources management, combination of effective talent retention and organization performance promotion may be basic guidance to this kind of research (Dalton et al., 1982; Allen and Rodger, 1999; Leel et al., 2004).

This study centers on talent retention which involves the transfer from clarifying what is main achievement of former scholars, about process of development in building of retention or turnover model, and the relative performance level of the leavers and stayers, the contextual factors affecting the organization performance and the withdraw decision-making as well as the organization performance consequence caused by turnover becomes the specific and key research area for talent retention/ turnover, which aims to be cleared up and understood profoundly.

As for many factors affecting talent's retention or turnover in academic research, to build the construction concept, put forward and verify related assumptions and refine the system analysis model based on the correlated theories and experiences, may be the main research pattern for the modern mainstream school.

In view of enterprise human resources management, this kind of research pattern may be considered to be very necessary for the modeling research on talent retention, because this may be very relevant for not only the comprehensive determining factors being studied but also the human resources managers to analyze and diagnose the question of enterprise talent's movement (Xie, 2003). Therefore, this chapter review and evaluate academic results from former scholars on talents' retention, and captures some of this complexity by turnover and retention thinking and propose a more effective mediated-routes retention model based on social capital theory.

Conceptions Related

In view of human resources management and organizational behaviour, the classical organization employees' turnover is the rotation of employees around the labour market between firms, jobs and occupations, and between the states of employment and unemployment (Abassi et al., 2000). The term "turnover" is defined by Price (1977) as the ratio of the number of organizational members who have left and divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy: each time a position is vacated, either voluntarily or involuntarily, a new employee may be hired and trained. This term is also utilized in efforts to measure relationships of employees in an organization as they leave, regardless of reason.

Because people have paid more attention to the employee voluntary turnover or loss influencing the organization for a long time in treatment of the staff movement problem, organizational employee turnover has been widely used, namely organization employee turnover may "terminate the process in which the individual obtains material income from the organization with member relation" (Mobley, 1982); this definition excludes the movement status of the possibly existing voluntary staff in organizations in which staff stop obtaining

income from the organization. Moreover, while adopting the wage labour contract to stipulate relations among the organization members, it may also easily distinguish the shareholder status transformation.

The narrowed meaning and serviceability on the organization employee voluntary turnover concept defined by Mobley may become the foundation for most organizational turnover studies (Abelson, 1984; McEvoy, 1985; Cotton et al., 1986). For example, in the model study on the Chinese IT industry employee turnover or loss motivation carried out by domestic scholars. Zhang Mian et al., (2004) defined this kind of employee turnover or loss based on Mobley's definition as: "the process in which the individual obtaining the material income from an organization should terminate their organization labour contracts", therefore this definition may be suitable for the reality of there being a massive number "remaining at post without wage" and "laid-off" in some Chinese organizations at present.

For voluntary turnover, a conception often used, is the voluntary "Turnover Intent", whose connotation generally may be involved with the individual work selection opportunities and job-hunting behaviours, but may lack the direct connection with staff performance, and was considered as the most direct independent variable to employee turnover behaviour, and also the dependent variable of numerous predetermined variables which affect employee voluntary turnover factors (Allen, 1999; Price, 1977).

However, "withdraw tendency", which is closely related with "turnover intent" and has an equal status put forward by Mobley (1978) at first in the construction turnover model, may be considered to include process variables in the different periods from "thinking of quitting" to "job searching", "intention of turnover" and "voluntary turnover" behaviour occurring. The conception may be simplified as turnover tendency instead of turnover behaviour (Jaros et al., 2001; Hanish and Hulin, 1991).

However, Harnish and Hulin (1998) started the variation processes from employee organization performance to turnover behaviour, which may be extended to performance decision-making. They considered that the withdraw organization tendency may contain the processes from employee organization performance lowering (for example, worsening relation and deterioration of organization performance, absence from duty etc.) to the final turnover decision-making. Therefore, this behaviour acts as the foundation of the research path on the relationship between employee performance and voluntary turnover behaviour.

For simplicity and to easily analyze the effect of talents' performance and withdraw tendency, the dependent variable "withdraw tendency" is used as equivalent to voluntary turnover in this paper.

Evaluation of Turnover Model

In view of developing model of related employee retention or turnover research in developed countries, it has nearly 60 years of history. The contents may be abundant gradually; therefore, "academic researcher centered about theory of turnover" has been formed, with worldly influence led by these scholars in these countries (Zhang, 2006). In general these research models may be divided into two central parts, one is the "Traditional Classic

School” based on employee retention/ turnover process model with turnover intermediary variable of “Job attitude” such as job satisfaction and organization commitment.

Secondly, “New Multi-Routes School”, which has been constructed according to the “new turnover theory” and may be explained based on the various specific influencing factors since the 1990s. This model declared variables of job coupling that can be not only as the predetermined variable causing the employee staying or leaving, but also as the strong effect variable affecting the employee’s performance (Lee, 2004). With more abundant and new explanation strength as well as the development contribution to traditional turnover model, they are attracting attention and quoted by the mainstream school (Maertz, Rodger and Griffeth, 2004). “job coupling” analysis pattern may also be advantageous for developing one worthy widening domain on understanding organization talent retention question in view of social capital coupling of organization performance in empirical study (Liao, 2007).

The Primary Period of Turnover Thinking

Generally, there were primary study in organizational employee’s movement from view of macroscopically economic at the beginning of the 20th century, for searching the factors influencing employees’ turnover, such as salary, common training, labour market structure, and job opportunities, and their achievements have laid the foundation for later construction of organizational employees’ retention/ turnover theory (March, 1958; Burton, 1969; Chen, 1997; Zhang et al., 2006).

In terms of the integrative theory concerning management of employees’ retention/ turnover, as early as Barnard (1938, 1997), from the perspective of organizational society, personal psychology, and interaction of economic interest, made profound discussions about the determinate factors (individual goal, desirability, impetus, and other available opportunities which can be perceived) for people to join certain “collaborative organizations”, theory on effectiveness of organizational “inducement” for attracting organizational members and keeping their willingness to contribute to organization, maintaining social structure in organizations, and realizing the target of organization. In Barnard’s *Function of the Executive*, described among material and non-material inducements provided by organizations, social integrating relation generated by organizations to employees, takes a crucial position and usually plays “determinant” role in effective operation of organizations or socially collaborative system. However, defects of it have been denounced by succeeding psychologists in the new era with a less independent scope was adopted for interpreting employees’ turnover which stresses only on the influence of economic factors; and it was less elucidating how the determinate factors influence employees’ turnover behaviour (Zhang and Li, 2005).

The Job- Attitude Period

Since the 1950s, with the rapid development of the western economic after post-war rebuilding, swiftly increasing management cost, such as the costs of control, replacement, and training from organizational employees’ retention or turnover accompany lower unemployment rate. And that, also promote scholars and managers to embark on systematic research on employee movement, wherein empirical research became the mainstream in this field.

From establishment and evolution of research model on organizational employees' turnover, it is generally believed that the source during this period is combination of the developed organizational equilibrium theory in the classic work "*Organization*" of March and Simon (1958), who both are inheritor and promoter of social system school on the research of turnover decision behaviour of employees (Xie, 2003; Lee and Mitchell et al., 2004).

In work of March and Simon, divided the organizational employees' decision-making behaviours into individuals' "Decisions to Perform" organizational activities and "Decisions to Participate" in organizations, and they believe that the direct motivation of these two kinds of decision-making behaviours differ from each other greatly: Decisions to perform are under the interpretation of incentive concepts, for example objective, desirability, and social controlling factors, etc. (such as norm, group pressure, and payment); but, decisions to participate are subject to the interpretation of retention concepts, like personal perceptive movement desirability, and turnover mobility etc. Therefore organizational employees' turnover behaviours can be regarded as the psychological reflections of the selective decisions to participate in organizational activities.

On the basis of citing a number of previous research results to propose theoretical assumption and conduct theoretical analysis, March and Simon put forward the earliest overall model about employees' voluntary turnover, or the so-called model of "decision to participate". The model consists of two sub-models: one for analyzing the turnover desirability from organizations perceived by employees, and the other for analyzing the turnover mobility.

Because the two factors have well reflected the determinant variables for employees' turnover behaviours, it is generally believed that March and Simon are the earliest figures who try to integrate labour market and individual behaviours for investigating and studying employees' turnover behaviours. Their outstanding contribution is the introduction of labour market and behaviour variables into the research on the turnover process of employees from organizations, laying a theoretical foundation for later research on employees' turnover.

However, this kind of model lacks sufficient demonstrative and empirical validity, and at the time of analyzing employees' turnover, the simple relation between two variables is stuck into many variables, it is necessary to cover, at the same time, the key variables into one model for discussion so that the function of every variable can be evaluated adequately. This also opens extensive research routes for later researchers (Chen, 1997; Xie, 2003).

The organizational equilibrium theory developed by March and Simon (1958), organizational equilibrium means that the payments and inducements provided by organizations are sufficient to attract the participants to make continuous contribution to their organizations so that their organizations may continue to exist; when the inducements are not adequate, organizational participants will have movement desirability, connect it with the mobility easiness they may perceive, and compare the effect of inducements and contributions, and then behaviours impacting organizational equilibrium will appear – namely turnover.

March and Simon's organizational equilibrium theory indicates clearly that the Movement desirability and Apperceived mobility by employees are the most important theoretical precursor variables for their Turnover behaviour. As a result, the research concerning the

problem of employees' turnover, which were dominated by the behavioural school in the last 50 years, a classic mainstream research model on organizational employees' retention or turnover has been gradually established, namely the so-called "Job attitude model", which is based on job attitude and oriented at the element of organizational commitment from the concept of movement desirability perceived by individuals. In the model, the apperceived mobility easiness by individuals is understood as selectable job opportunities or actual unemployment rate perceived by individuals, and is constructed as an external influencing factor which acts directly on organizational employees' withdraw tendency or turnover behaviour in the traditional research model based on job attitude (Xie, 2003; Lee et al.,2004).

The classic turnover model based on job attitude is constructed on the basis of psychological process, and it puts the research focus on the mutual relation of employees' turnover behaviour, mediator variable are job satisfaction and organizational commitment and the expansion of their substructure variables, generating various representative organizational employees' voluntary models. Following the direction on job attitude of "decision to participate" developed by March and Simon (1958), model variables generate increasingly and relationships among variables become complex gradually (Griffeth, 2000; Mitchell and Holtom, Lee, et al., 2003, 2004).

For instance, the psychological process model of Price (1977) with job satisfaction as the direct mediator variable for employees' voluntary turnover; the turnover model of "Extended Media Chain" with job satisfaction as the direct mediator variable, which is put forward by Mobley (1979) based on the model in 1977; Steers and Mowday's (1981) turnover model with the introduction of organizational commitment as a mediator variable from the model in 1979; So-called "non-mainstream" voluntary turnover model of "Cusp-catastrophe" of Sheridan and Abelson (1983), taking job satisfaction as the key measuring indicator and denying turnover as a process of continuous psychological changes.

In 1990s Lee-Mitchell's Unwrapped Model (1999) cover the attitude turnover model based on social and psychological background factors for employees' voluntary turnover from the perspective of multi-route turnover, gain more and more attention because it makes breakthrough in the research angle of traditional attitude. Following Mitchell's model, Zhang (2005) pointed out that some turnover decisions which are independent from the degree of job satisfaction, are induced by "system shockers".

The above-mentioned models introduced respectively by Price (1977), Mobley (1979), Steers and Mowday (1981) are regarded as typical "Attitude models" in the development of research on organizational employees' turnover in the monograph of Hom Griffeth, published in 1995. Griffith (2000) conducted a review research in the model of element analysis on all papers on employees' volunteer turnover published in classic management magazines, he describes that related variables around attitude models reached eleven kinds of demographic predictors; sixteen kinds of sub-structure variables related to job satisfaction and organization factors and work environment factors, such as expectations, pay satisfaction, distributive justice, supervisory satisfaction, leader-member exchange, work group cohesion, co-worker satisfaction, role clarify; six kinds of variables related to job content and external environment factors, such as job scope, routinization, job involvement, alternative job opportunities, comparison with present job etc.; three kinds of other behavioural predictors;

nine kinds of adjusting variables for withdraw process (Griffeth, 2000). A general research model and analyzing route for traditional attitude research model are displayed in Figure 1.

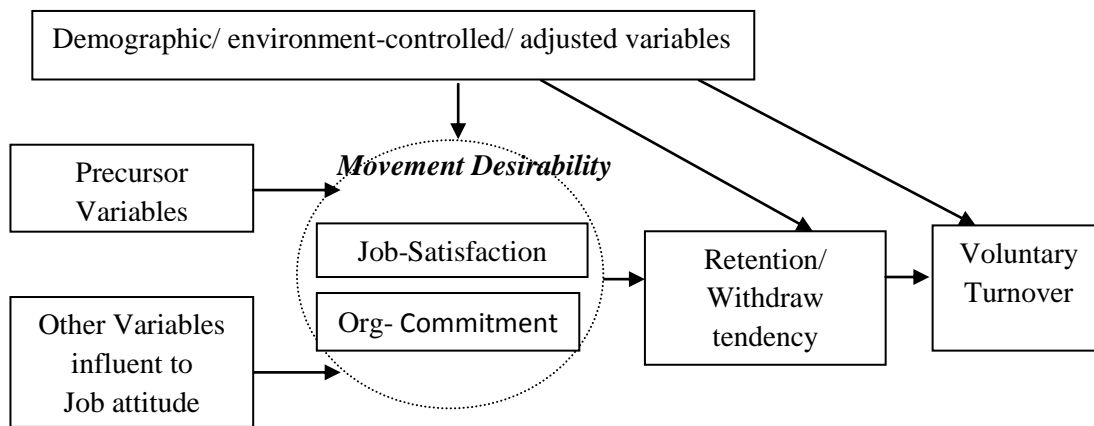


Figure 1: The traditional turnover model

Adapted from Griffeth, Peter and Stefan, (2000) p463-488

Hausknecht (2008) listed the 12 major retention factors that have been published in the literature over the past 60 years from 24,829 employees in leisure and hospitality industry of US, which help to explain why employees stay or quit. A brief summary of these content models is described as follow, names and definitions of the 12 retention factors e in Table 1. In conclusion, it is generally believed that in the traditional attitude turnover model the process of employees' volunteer turnover (including the turnover intention and behaviour of turnover) is the reversed transformation process of employees' retention psychology and behaviours, mainly consisting of four sectors (Lee and Mitchell, 1999): first is the quit process caused by job dissatisfaction; then, employees' search for substitutable jobs before turnover; is evaluation on such substitutable jobs; and result is occurrence of turnover behaviour.

New Development of Employees' Turnover Model

Although studies on the issues of organizational employees' turnover have been conducted over the past 60 years and will continue to take a prominent position in the theory and practice of organizational behaviour management, since the end of the 1970s and the beginning of the 1980s, Porter and Steer (1973), Spence and Steers (1981) noticed the difference between leavers with low and high performances. They stressed the necessity to study the level of job performance as a factor influencing turnover to study.

Dalton, Todor (1979, 1982), and Muchinsky, Tuttle (1989), believed that previous studies overstressed the negative impact on organizations caused by employees' turnover, and brought forward the turnover classification model based on the interactive appraisal of employees' performance and inducement of reward to employees. Therefore, further specifying the orientation of research on the voluntary turnover of employees with high employee performance feature appeared, the so-called "unfavorable drain" on organizations.

Table 1: Description and Definition of Retention Factors

Retention Factor	Definition
1.Job satisfaction	The degree to which individuals like their jobs
2.Extrinsic rewards	The amount of pay, benefits, or equivalents distributed in return for service
3.Constitution attachments	The degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers
4.Orgnizational commitment	The degree to which individual's identify with and are involved in the organization
5.Orgnizational prestige	The degree to which the organization is perceived to be reputable and well-regarded
6.Lack of alternatives	Beliefs about the unavailability of jobs outside of the organization
7.Investments	Perceptions about the length of service to the organization
8.Advancement opportunities	The amount of potential for movement to higher levels within the organization
9.Location	The proximity of the workplace relative to one's home
10.Orgnizational justice	Perceptions about the fairness of reward allocations, policies and procedures, and interpersonal treatment
11.Flexible work arrangement	The nature of the work schedule or hours
12.Non-work influences	The existence of responsibilities and commitments outside of the organization

Allen and Griffeth (1999), concerning research on the influence of employees' performance level to their voluntary turnover, summarized into three categories. These were developed from classic organizational equilibrium theory (March, Simon, 1958), and media chain process theory on turnover (Mobley, 1977), then put forward a comparatively complete integrating research model for discussing the relation between employees' performance level and their withdraw tendency even voluntary turnover. This model consists of three analytical routes as shown as Figure 2.

Firstly, employee's performance character in organizations will influence their job satisfaction and organization commitment, further affecting their turnover behaviours through interaction with affective reaction. As is shown in previous research, employees with high performance have the higher satisfaction, thus lowering their movement desirability and making the possibility of turnover less likely (Dreher, 1982; Lance, 1988).

Podsakoff and Williams (1986) discovered in their study that the contingent rewards organizations gave to employees have a high positive adjusting effect on the relational route from performance to job satisfaction. Conversely, when employees have high performance fail to gain rewards responsive to their contributions, they will feel dissatisfied (movement desirability), and thus will lead to a high possibility to quit from organizations. Zenger (1992)

also observed that the fairness of reward is of the same effect to those talents with very high performance characteristics. Allen (1999), in citing the literature review of Griffeth and Hom on previous studies also points out that, in fact, these factors influence every aspect of the job attitude (job satisfaction and organizational commitment).

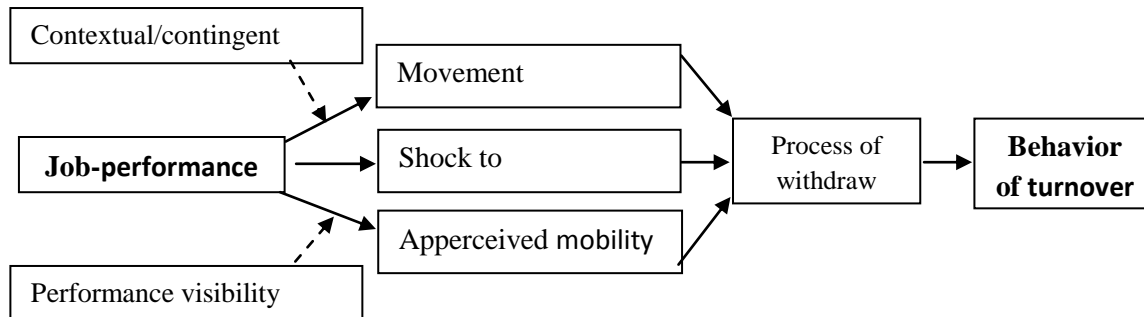


Figure 2: The integrated mediated multi-routes model Adapted from Allen and Rodger Griffeth, (2003) p525-548

Secondly, employee's performance character will influence their turnover behaviours through movement in the labour market (definitive variable of apperceived mobility easiness). The reason is that those with high performance will attract potential employers in the labour market more effectively, so that they may perceive more employment opportunities (Jackofsky, 1984; Hulin, 1985).

In this type of theoretical hypothesis, what is important is to manipulate the "connotation" and "operable/ maneuverability" of mobility ease. To that, Griffeth and Steel (1992) provide comparatively full analytical "connotation" dimensions, including the quantity and quality of employment opportunities, and flexibility of career transition, individuals' mobility and social relations. Trevor (1998), from the perspective of human resource, links individuals' educational level and cognitive ability to occupational feature and related unemployment levels into the connotation of individuals' actual mobility ease. Thus, the above researchers opened more opportunities in studies on the influence of individual's performance to the mobility ease apperceived.

Meanwhile, on the relational route from performance to mobility ease perceived by individuals, the visibility of individual performance, namely, the performance feature observable to the outside, is seen as the most important adjusting variable. However, Trevor (1997) only operates such visibility as employees' promotion in "operable/ maneuverability" view, hence, some researchers believe that the operation connotation of visibility should be expanded. For instance, some professionals can obtain their individual performance visibility through attending various associations, conferences, namely the degree of individuals' social network. It should be a domain requiring further research.

And the third is about the performance level of employees in organizations influencing their turnover behaviour in more direct ways (Moblely et al., 1979; Lee, Mitchell, 1999). In empirical researches, scholars discovered that, in many circumstances, quitting directly in the process without causative mediated mechanisms in the aforesaid two analyzing routes, for

instance, dissatisfied to job and job search. Lee (1999) and Mitchell (2003) explained that many turnover phenomena are absent in the traditional models. On the other hand, it may be greater than in actuality that using “match for the scrip” to replace assumptions which assume employees may completely rationally judge the turnover anticipation in traditional model. Wherein, contents of the “match” may refer to ideas and plans, which are unrelated to the traditional mediator variables. Once these ideas and plans appear at suitable circumstances, for instance, opportunities of further education, career transition, move of residential place, child-bearing, invitation of other organization by offering more temptation, and failure in personal performance, will result in “shock to the system”, leading to withdraw tendency and turnover behaviour rapidly.

In particular, those “shocks” related to individuals’ organizational performance, for example, the suddenly negative performance appraisal (leading to a sense of failure) or outstanding positive performance feedback which likely leads to immediate re-evaluation on the possibility to remain in the original organization, or strong attraction to other organizations by offering more temptation, are more likely to cause withdraw tendency and turnover behaviour directly (Allen, Rodger and Griffeth, 1999).

The advantages of the aforesaid integrative multi-routes analytical model on employees’ job performance and turnover may lie in, Firstly, identifying and analyzing the simultaneous effect of the determining factors contained in the movement desirability and apperceived mobility between employees’ performance and turnover. Secondly, the effects of a more comprehensive research model with integration of classic media chain, multi-routes theory, and the newly developed idea of “shock to the system”. Thirdly is to facilitate the practice of organizational behaviours with a multi-routes platform to improve effect mechanism on employees’ organizational performance to withdraw tendency even turnover.

Highlight variable of Job Coupling

The basic hypothesis, in the traditional job attitude turnover model on employees’ turnover process includes various exogenous variables, related to jobs in an organization, leading to turnover tendency and job-searching behaviours through influencing employees’ job satisfaction and organizational commitment (mediator variable), further resulting in turnover. Thus, the model, with continuous research, tries to extend the predetermined factors (exogenous variables) which influence the mediator variables for improving its interpretation force.

However, recent element analyses by Griffeth and Hom (2000) on previous mainstream literature shows that the mediator attitude variables (job satisfaction and organizational commitment) can only interpret 3.6% variance of actual turnover behaviours, and withdraw tendency as the precursor variable, which is believed as to be the most direct mediator variable to turnover behaviour, could only interpret 12% of actual turnover behaviours.

In view of the lower interpreting power to traditional turnover model, Lee and Mitchell (1999, 2001, 2003 and 2004), who are representatives in the academic field of turnover research, had contributed significantly as depicted in the following paragraphs. Firstly, the various turnover variables interpreted only 25% by the traditional mainstream of actual turnover behaviours, namely, using job satisfaction, organizational commitment, job

searching, and selection of job opportunities etc. as major predetermined variables. Secondly, many voluntary turnover behaviours are caused by events which are called “system shockers” by scholars, neither accompanied with job searching, nor job opportunity selection or dissatisfaction to jobs. Thirdly, the factors leading to employees’ retention and being retained by organizations are not psychological factors resulting in employees’ turnover, which means, employees’ retention or turnover involve different complicated psychological and emotional processes as well as the background of social relations coupled. Fourth, expanded empirical demonstrations on job coupling model indicate that job coupling with factors for promoting organizational performance, may be a type of new idea to conceptually and experientially associate the behaviour decisions together on performance, withdraw tendency and quitting behaviours, namely Job coupling variable is both the predetermined variable to employees’ retention or turnover and one of strong effects which influence organizational performance, such as task performance and relation performance.

In the process of research, Lee and Mitchell put forward and improved the “unwrapped job coupling model” of voluntary turnover for employees’ retention. Above 92% samples were interpreted satisfactorily for their turnover behaviour through combining social background which turnover decisions and multi-route analyzing view (the traditional job attitude model may be covered in one of the analyzing route in the unwrapped model). Especially in empirical demonstrations, to compare with the mediator variables of the job attitude model, researchers discovered that interpretation of job coupling influent to employees’ retention behaviours are higher than job satisfaction and organizational commitment.

Requena (2003) and Watson (2002) believed that organizational performance characteristics based on organizational social capital coupling is obviously found on effective organizational behaviours made by individual employees which is an important part for appraising employees’ performance, hence a greater implication of job coupling, which is consistent with the connotation of organizational social capital. Job coupling is the socialized factors of cognitive scenes in which employees interact with organizational network, to achieve job satisfaction and organization commitment. Therefore, job coupling is a decisive factor to the formation of job attitude model. It reveals in contrast to traditional attitude models, a multi-routes job coupling model may provide more fresh advantages for interpreting the actual turnover behaviours, and be of practical significance for expanding the field of organizational behaviour management.

In the models (Figure 3), Mitchell, Lee (2003) described job relationship just like “connection of agglutinate” to “bind” people in it. Those with high job-coupling have abundant close and distant social linkage and enjoy themselves in their working and living networks. For the purpose of creating a systematic analyzing model, researchers construct three analytic dimensions (linkage, fitness, and sacrifice) for job coupling, and combining with employees’ organization and community, through job-coupling to interpret or forecast employees’ retention, on-job coupling (organizational coupling) and off- job coupling (community coupling), which are described respectively through the three analytic dimensions.

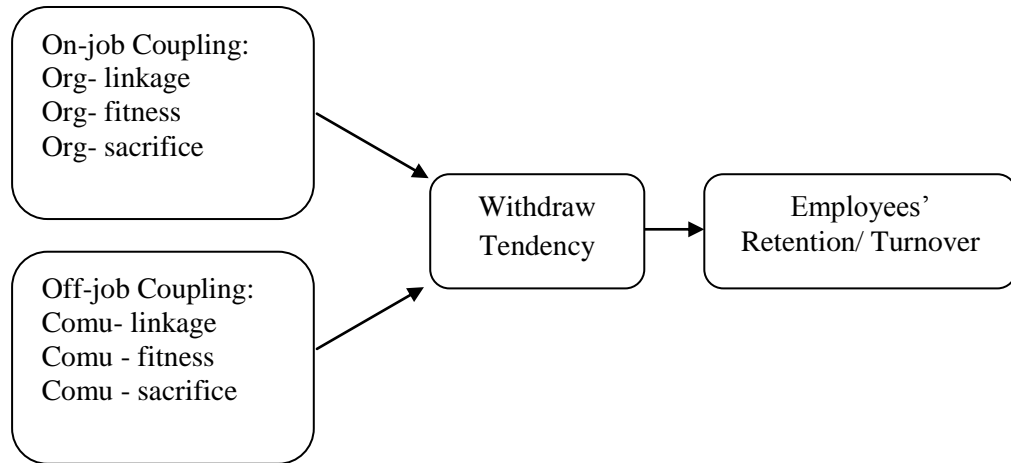


Figure 3: The job-coupling model

Adapted from Mitchell, Holtom and Lee et al.,(2001) p 1102-1121

The key structure variables of job- coupling (linkage, fitness and sacrifice) are basically defined as “Linkage” which means formal or informal connection between an employee and institutions or people. Job coupling suggests that a number of threads connect an employee and his or her family in a social, psychological, and financial web that includes work and non-working friends, groups, community, and the physical environment where they are located. The higher the number of links between the person and the web, the more an employee is bound to the organization.

“Fitness” is defined as an employee’s perceived compatibility or comfort with an organization and with his or her environment. According to the theory, an employee’s personal values, career goals, and plans for the future must “fit” with the larger corporate culture and the demands of his or her immediate job, such as job knowledge, skills and abilities. Therefore, a person will consider how well he or she fits in with the community and surrounding environment. Job coupling assumes that the better the fit, the higher the likelihood that an employee will feel professionally and personally tied to the organization.

“Sacrifice” represents the perceived cost of material or psychological benefits that are forfeited by organizational departure. For example, leaving an organization may induce personal losses, such as losing contact with friends, personally relevant projects, or perks. The more an employee will have to give up when leaving, the more difficult it will be to sever employment with organization. Examples include nonprofit able benefits, like stock options or defined benefit pensions, as well as potential sacrifices incurred through leaving the organization like job stability and opportunities for advancement. Similarly, leaving a community that is attractive and safe may be difficult for employees.

In the aforesaid model of Mitchell, et al., (2003), job coupling (include the on-job coupling and the off-job coupling), according to researchers, is a general coupling concept including non-job factors. In a study on job coupling conception, Lee, and Mitchell (2004) distinguished substructure variables into “on-the-job coupling” and “off-the-job coupling” with 1650 employee samples of large international financial institutions as the research

objects, and they respectively studied relations between “job coupling” with “organizational citizenship behaviour”, “job performance”, “voluntary absence” and “voluntary turnover” of employees, they discovered that “on-job coupling” is a significant forecasting force to employees’ organizational performance and “off-job coupling” is of significant forecasting force to employees’ withdraw tendency and turnover, possibly a pair of relatively independent factors influencing employees’ turnover.

Proposed integrative Model

In order to elucidate the new information and theoretical features in contrast to the variable of traditional attitude model, it is necessary to distinguish with traditional relationship among variables. In 2004, Lee and Mitchell distinguished substructure variables into financial institutions, Liao (2007) in hospital institution, discovered that on-job coupling is of significant forecasting force to employees’ organizational performance and off-job coupling is of significant forecasting force to employees’ withdraw tendency and turnover, but just verified in their single model, and haven’t compare to traditional variables in cross-industries sample Therefore, following their direction, to reveal whether job coupling have obvious adjusting effect and even mediating effect to the relation between the variables of employees’ organizational performance and withdraw tendency, exist or not? and its strength? Therefore, in the proposed model (Figure 4), take job coupling as mediator between performance character and movement desirability, and cancel the less-significant relationship between performances to movement desirability.

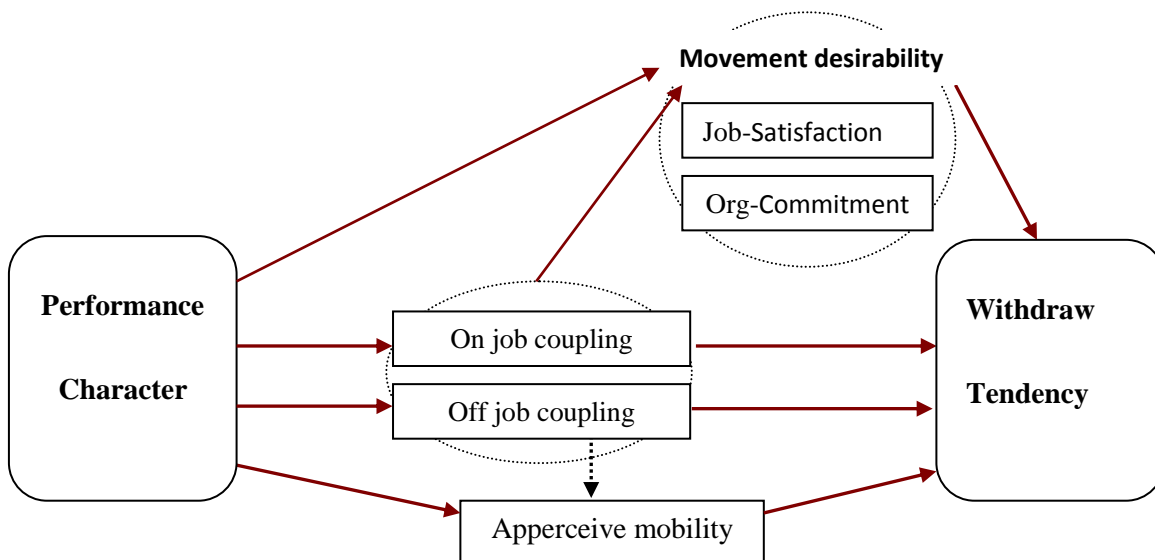


Figure 4: Proposed Performance-Withdraw Tendency Model

Future Research Directions

Classic School may focus on the complicated relationship among variables in “job attitude model” follow the direction of organizational equilibrium theory. However, the New Development School, might extend empirical study through investigating in cross- industries sampling, and structure of on-job coupling and off-job coupling, interaction among job-coupling and other variables, even some function of job coupling or performance shock as moderator. The current operationalization of job coupling combines each item and six

dimensions using equal weights. However, the combination of number and strength of one's relationships with other entities in the network may differ by individual. Means, individual may have the same coupling score, but the structure of it may differ. Although the construct of job coupling grew out of studies on withdrawal tendency or turnover behavior, the outcome of being coupled may be more than those. We are particularly interested in how about the strength between job coupling and performance shock in the opposite direction? Whether has possibility of the moderate influence in organization commitment and procedural justice from job coupling or performance shock?

CONCLUSION

From the primary thought (Barnard, 1938) about employees' retention/ turnover to "Decision of participate" model (March, Simaon, 1958), then the "Job-attitude model" groups: Price (1977), Mobley (1979), Steers and Mowday (1981), till now, the new development of employees' retention/ turnover model era, the integrative model (Allen et al., 2001), the "turnover model" of Mitchell and Lee (2003), even the proposed model, all of them, no doubt, provided indispensable theoretical and practical bases for our future research. The model of Mitchell, and Lee (2003), both in terms of theoretical hypothesis and empirical research, shows that job coupling plays a role equivalent to that of job satisfaction and organizational commitment, and is even, under certain conditions, as more decisive mediator variable directly leading to employees' voluntary turnover.

However, traditional attitude model ignores the position of this type of influencing factors. The integrative employees' job performance, the hypothesis of multi-route media chain research model on voluntary turnover, which is put forward by Allen and Griffeth (1999), is a pioneering model for discussing the relation between employees with high performance characteristics and their turnover from organizations. But, verification can't be conducted from employees' job performance to job satisfaction route owing to the lack of suitable mediator mechanism.

From the perspective of empirical research, the employee retention model may be established and maintained through managing the dynamic external and internal organization relations among employees or institutions. In fact, it belongs to the construction area of organizational social capital, through actively improving the transformation cost induced by key employee's turnover, individuals' performance may be activated. As a result, target for key employee retention in organizations may be achieved. Meanwhile, this is also favorable for extending the analytic perspective and management foundation concerning employees' retention which depends on both Classic School and Proposed Multi-routes model. Nevertheless, the contribution and limitation mentioned in this study provide more areas for the future research and actual executive managers on the retention factors or models of employee's retention.

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A CUSTOMER VALUE PERSPECTIVE MOTIVATES PEOPLE TO PURCHASE DIGITAL ITEMS IN VIRTUAL COMMUNITIES

Hossein Miladian

Abstract

Most virtual community (VC) providers lack profitable business models. The challenge for VC providers is to generate and increase revenue from sources other than advertising. The sale of digital items (e.g., avatar) to VC members is a recent revenue generation method. This study examines how VC members decide to purchase digital items from the customer value perspective. Based on customer value theory, this study identifies five factors over three dimensions of customer value and examines their effects on VC members' intention of purchasing digital items. Our finding suggests that the effect of value on members' purchase intentions is significant in the emotional and social value dimensions as compared to the functional value, since digital items are more hedonic in nature and possess a high level of symbolic meaning for others to gauge one's personality in a conspicuous community setting. This study provides important implications for practitioners to understand how they can foster an ideal environment for customers to perceive more value in their digital items so that it would be more compelling to make purchases in a VC.

Keywords: *Digital items, Customer value, Virtual Community*

Introduction

In the recent years, majority of virtual community (hereinafter, VC) providers have faced the lack of a profitable business model. Since Hagel and Armstrong (1996) published insights on the commercial expediency of VCs, many researchers and practitioners have begun looking into how owners should manage their online communities and businesses to maximize their economic potential (Koh and Kim 2003-4). Most VC providers derive their revenues mainly from advertising but are still bordering on profitability although they might have a significantly large member base. However, there is a rising web phenomenon of VCs employing an innovative kind of revenue generation method which earns primarily through the sales of digital items to virtual community members (Kang & Yang 2006). "Digital items" known as "virtual assets", can include online avatars, accessories for the avatars, and decorative ornaments like furniture, digital wallpapers, skins, background music and virtual weapons used for Internet games. These digital items are employed by users for representation and articulation in the online space, especially to create and enhance their online profiles in webs and games. The sale of digital items is increasingly becoming widespread in online Social Networking Communities (hereinafter, SNCs), a distinctive form of VCs whose fundamental purpose is to help users connect with friends, business partners, or other individuals. A representative success case of a profitable SNC that sells digital items as its core business is Cyworld (www.cyworld.com). Cyworld's daily revenue from selling

digital items is estimated to be around US\$300,000 (USNews 2006) and its annual sales reached approximately \$120 million in India alone for the year 2005 (Businessweek 2006). Similar to Cyworld, Internet companies such as Habbo (www.habbo.com), There.com (www.there.com), Secondlife (www.secondlife.com), and Livejournal (www.livejournal.com) have started selling digital items to their members to generate revenue. In the case of Second Life, the people who log in spend \$50-60 a week to buy digital items and use the services.

Particularly with the increasing popularity of online social networking, more people are actively joining and participating in SNCs to be integrated as part of any online social network. SNCs are hence evolving into massive networked groups with a critical mass of purchasing power that can potentially be augmented multifold given the network externalities embedded in the social system. This implies the need for marketers and practitioners to better understand the digital item purchase and usage behavior of members in the context SNCs to maximize the economic potential of this thriving form of VCs by leveraging on their user base. However, there is lack of understanding about what motivates people to purchase digital items in the context of SNCs. Even if Cyworld and a few other Internet companies have evidently illustrated an innovative and profitable business model centered on selling digital items, there is insufficient level of understanding to explain why community members buy and use these items. Few studies that tried to study the motivations for people to buy and use digital avatars, focused on the social science perspective and hardly took into account the marketing perspective.

This study aims to examine digital item purchase behaviors of SNC users from the value perspective based on customer value theory. From marketing and e-commerce literature, customer value is known to be an important predictor of consumer buying behavior as it is found largely to influence customers' purchase decisions (e.g. Zeithaml 1988; Sheth et al. 1991; Babin et al. 1994; Sweetney & Soutar 2001). Our findings would provide practical guidelines as to how VC providers and Internet companies can realize revenues and profit by capitalizing on their member base through the sale of digital items.

Conceptual Background

Digital Items

Majority of VCs presently derive their revenues primarily from advertising. Instead of relying on advertising revenues, a few SNCs have adopted an innovative way of running a lucrative business mainly out of selling digital items to their community members (Kang & Yang 2006). "Digital items" are new media elements used by users for representation, expression and communication in online environments. Some common examples of digital items are digital avatars, accessories for the avatars (e.g. clothes, shoes, hats), ornamental items for virtual rooms (e.g. furniture, art paintings, wallpapers), background skins, music tracks and even digital weapons for online games. Price for digital items typically ranges from a few cents to a few dollars each. Digital avatars are graphic icons representing users. Users typically participate in a virtual world by controlling an avatar, a character that represents them in the virtual context (Lehdonvirta 2005). Mostly as two-dimensional animated figures, avatars have brought visibility to one's online self (Webb 2001). Avatars have long been used in various fields on the Internet such as games, chat rooms, and a live forum for online conversation (Chung 2005). Avatars are particularly widespread in multiplayer online role-

playing games ("MMORPGs"). Evolving from MMORPGs, the avatar technology is gradually being integrated into many other forms of platforms where social interaction is integral. MSN has tied new avatar technology into Microsoft Passport a few years back, aiming to monetize its social messaging services, allowing the avatar to be downloaded onto mobile handsets (New Media Age 2003).

From literature more geared towards the identity perspective, an avatar can be seen as a unique way of visually representing one's self-identity and desire for self-disclosure. In text-based communications, users can express their identity with their **ill**, nickname and profile (Reid 1994). An avatar has a special meaning as a symbol of identity in a virtual community. Users want their identity within a virtual community to replace their physical body and to control the degree to which they disclose themselves over the computer. Furthermore, this fascination makes Internet users, who are accustomed to free services, willing to pay for avatars (Kang & Yang 2006).

Customer Value Theory

Among the various concepts discussed by marketing and e-commerce literature, the notion of "customer value" is often found to be an important predictor of buying behavior and a significant influencer of customers' purchase decisions (e.g., Dodds et al. 1991; Sheth et al. 1991; Babin et al. 1994; Zeithaml 1988). The central role of consumer value has been conceptualized (Woodruff 1997) and empirically demonstrated (Grisaffe & Kumar 1998) in traditional marketing literature. Value is regarded as a strong predictor for favorable behavioral intentions such as purchase intentions (Zeithaml 1988; Dodds et al. 1991; Chang & Wildt 1994). In terms of value perceptions, a broader theoretical framework of perceived value was developed by Sheth et al. (1991), who explained that consumer choice is a function of multiple 'consumption value' dimensions and that these values make differential contributions in different choice situations. As the dimensions they proposed are comprehensive to a variety of fields and has been deemed to establish good foundation for extending existing value constructs, it largely forms the basis of research for in other newer relevant studies (e.g. Sweetney & Soutar 2001, Rintamaki et al. 2006). The value frameworks discussed by Sheth et al. (1991), Sweetney and Soutar (2001), and Rintamaki et al. (2006) all incorporated three pertinent dimensions of customer consumption values, namely (1) Functional Value, (2) Emotional Value, and (3) Social Value. All of them found that functional, emotional and social values were key influencers to consumer behavior in each of their context. Functional value of a product means "the perceived utility acquired from a product's capacity for functional, utilitarian or physical performance" (Sheth et al. 1991). A product acquires functional value through the possession of salient functional, utilitarian, or physical attributes. Functional value is measured on a profile of choice attributes. Traditionally, functional value is presumed to be the primary driver of consumer choice. This assumption underlies economic utility theory advanced by Stigler (1950), and popularly expressed in terms of "rational economic man." A product's functional value may be derived from its characteristics or attributes such as reliability, durability, and price.

Emotional value of a product means "the perceived utility acquired from a product's capacity to arouse feelings or affective states" (Sheth et al. 1991). A product acquires emotional value when associated with specific feelings of when precipitating or perpetuating those feelings. Emotional value, also commonly known as hedonic or experiential value, has been influenced

by theory and research in several other pertinent areas of inquiry. Research in advertising and atmospherics has suggested that marketing and promotional mix variables arouse emotional responses that may be generalized to marketed products (e.g. Holbrook 1983; Park & Young 1986). According to Holbrook and Hirschman (1982), hedonic consumption involves the multi-sensory, fantasy and emotive aspects of one's experience with products.

Social value means "the perceived utility acquired from a product with one or more specific social groups" (Sheth et al. 1991). Consuming a product can represent a social act where symbolic meanings, social codes, relationships, and the consumer's identity and self may be produced and reproduced (Firat & Venkatesh 1993). The motive of buying and using products depends on how a customer wants to be seen and/or how he wants to see himself by others (Sheth et al. 1991; Sirgy et al. 2000; Sweeney & Soutar 2001). Products have been known to possess symbolic or conspicuous consumption value in excess of their functional utility. Based on the above discussion, this study identifies factors representing each type of customer value associated with digital items in the context of VC (see Figure 1). First, we define functional value as *the utility of a digital item based on the perceived ratio or trade-off between its quality and the price to obtain it* (Monroe 1990). This study identified two factors corresponding to the functional value of digital item, price utility and quality. Product utility represents the perceived efficient use of money to minimize what is sacrificed to obtain the digital item (Zeithaml 1988). Quality represents the perceived overall excellence and expected performance of digital item (Zeithaml 1988). This study defines emotional value as *the utility of a digital item derived from the perceived feelings or affective states that it generates* (Sweeney and Soutar 2001). We identify one factor corresponding to emotional value, playfulness. Playfulness represents the perceived intrinsic enjoyment, interest, fun and curiosity generated from engaging in absorbing interactions with the digital item (Moon and Kim 2001).

We define social value as *the utility of a digital item derived from its perceived ability to enhance social well-being*. This study identifies two factors corresponding to social value, social self-image and social relationship. Social self-image represents the digital item's perceived capability to enhance social self-image i.e., the projection of how one appears to others (Sweeney and Soutar 2001). Social relationship represents the digital items' perceived capability to help form, maintain, and enhance interpersonal relationships.

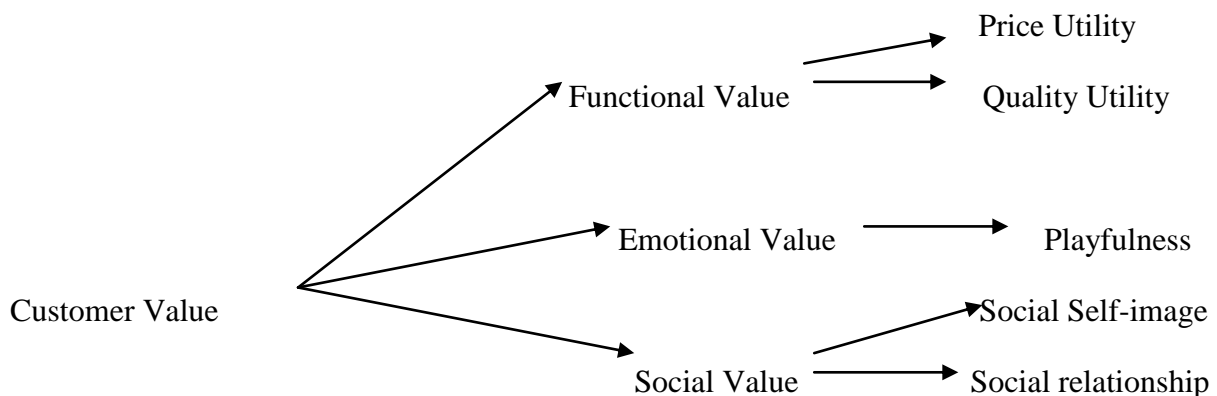


Figure.1-Theoretical Framework

Research model and hypotheses

We develop the research model (see Figure 2) and the corresponding hypotheses based on the above conceptual discussion. Price utility here is a component of functional value which positively contributes to total customer value. Adapted mainly from Zeithaml (1988), price utility is defined in our context as the utility derived due to the perceived efficient use of money to minimize what is sacrificed to obtain the product. From the transaction utility theory (Thaler 1985), the more favorable the price of a product, the higher the perceived price utility from the customers' point of view as they perceive that their money would be used more efficiently. Therefore, with a higher price utility, the higher the perceived acquisition utility, and the higher their purchase intentions because they view the transaction as more valuable.

H1: Price utility positively influences digital item purchase intention.

In marketing and e-commerce literature, quality and price are commonly associated with the functional dimension of customer value. Digital items are products which are characterized by indestructibility, transmutability and reproducibility. Digital items, which appear mainly in the form of multimedia elements can encompass more abstract dimensions of quality, such as aesthetics, features and perceived quality image. In particular, aesthetic quality is one of the most prominent dimensions of quality for digital items like graphical icons or online music tracks, since these digital items generally seem to be more aesthetic or pleasure-related in nature. Hence, digital items with higher perceived quality may lead to greater perceived customer value, inducing higher purchase intentions from consumers.

H2: Quality positively influences the intention to purchase digital items.

Previous research found that attitudinal outcomes, such as positive affect, pleasure, and satisfaction, result from the playful experience (Sandelands et al. 1983). Playfulness is expected to be associated with increased behavioral intention, and possibly purchase intentions. Sheth et al. (1991) posited that the consumption of goods and services are frequently associated with emotional response, such as the romance aroused by a candlelight dinner, which contributes to increased value for the consumer in the emotional dimension. Perceived playful responses of fun and fantasy evoked through consuming digital items can be seen as a kind of emotional value for consumers. Therefore, this intrinsic value brought about by perceived playfulness during the consumption process may trigger purchase intentions of community members.

H3: Playfulness positively influences the intention to purchase digital items.

People consume products to enhance their social self-image because the purchase, display, and use of goods can communicate symbolic meaning to the individual and to others. The purchase and use of products is a means by which an individual can express self-image socially to others. Therefore, products are consumed for their social meanings as symbols (Solomon 1983). Digital items can help to enhance representation and articulation in the online space, so it is likely for consumers to buy and use digital items as symbolic goods to enhance their social self-image. Hence, we propose:

H4: Social self-Image positively influences the intention to purchase digital items.

Baumeister and Leary (1995) addressed the need in humans to form and maintain strong, stable interpersonal relationships. The need is for frequent interactions within an ongoing relational bond. VCs are places where individuals can find and give emotional support, companionship and encouragement (Wellman et al., 1996). Walker (2003) found that people created extrinsic home pages to maintain pre-existing relationships. By embellishing homepages with attractive digital items like great music, members can expect to lure in more visitors to their homepages, such as friends or strangers whom they can potentially build relationships with. With more friends and strangers attracted to visiting their homepages, it takes less effort for owners to keep up with these social relationships. Therefore, digital items are believed to be useful for social relationships and this value can lead to members' motivation to purchase them. Hence, we propose:

H5: Social relationship positively influences the intention to purchase digital items.

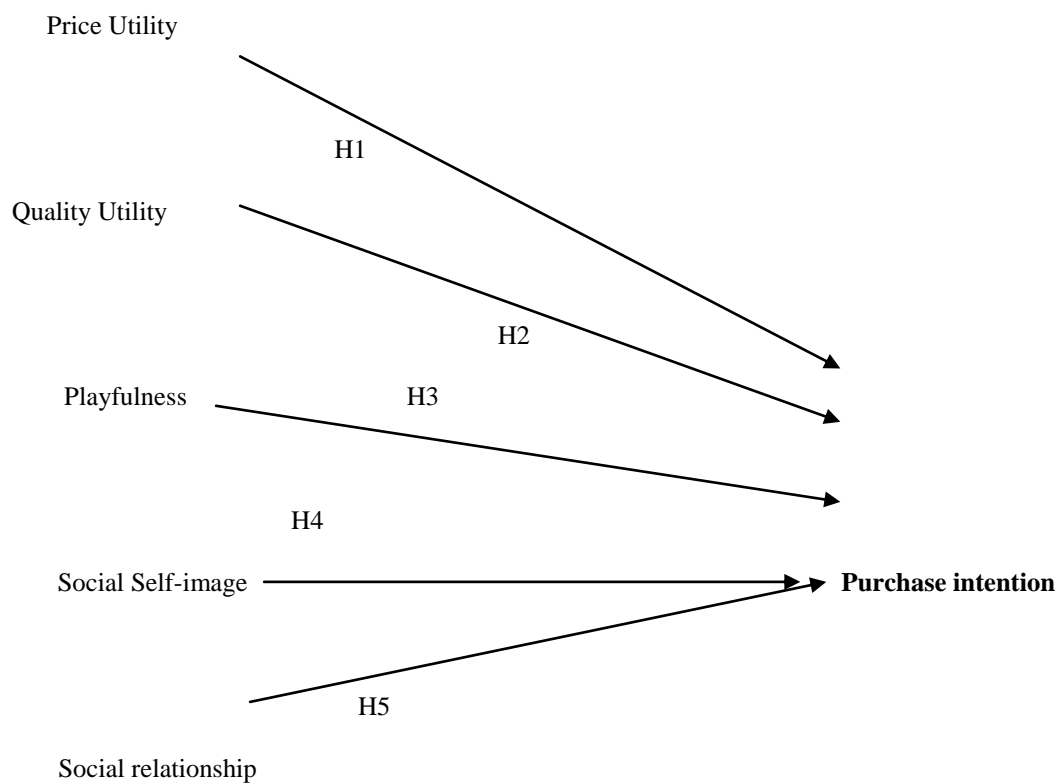


Figure.2-Research Model

Research methodology

This study adopted an online survey approach as the research methodology. We selected Cyworld as the context of our study because it is a successful VC in terms of profiting

from the sale of digital items. Although in some aspects similar to U.S. social networking sites such as MySpace (www.myspace.com) or Secondlife (www.secondlife.com), Cyworld gives social networking additional twists that make it more realistic and alluring. Users possess their own virtual assets which can be customized. For instance, users have digital avatars which can be supplemented with digital accessories like clothes, hats and shoes. In addition, they have virtual "rooms" that can be decorated with chic digital furniture, art pieces, electronics, wallpapers, even music. Instant messaging is included in the service, so owners can chat with visitors. One can even access the features of Cyworld from a mobile phone. Besides graphical digital items, as of September 2007 Cyworld has sold over 160 million songs, making it the second-largest music store in the world behind Apple's iTunes. Cyworld also has more video traffic than YouTube (U.S. News 2006). Also in 2006, Cyworld received the Wharton Infosys Business Transformation award for its society-wide transformation of interpersonal interaction.

The study adopted existing validated scales whenever possible. These scales were adapted to reflect our research model. The price utility items were taken from the perceived value for price measurement scale developed by Sweetney & Soutar (2001). For the quality construct, one item was adapted from Sweetney & Soutar (2001) while three other items were based on the concept of quality as explained by Zeithaml (1988). As for the playfulness construct, three items were adapted from Moon & Kim (2001) and two variations of these items were added on. Social self-image measurement items were adapted from Sweetney & Soutar (2001). Items assessing social relationship were developed with relevance to our construct definition which is built upon the definitions of Maslow (1968) and Bowlby (1969). To measure purchase intentions, purchase intention scale was adopted from Dodds et al. (1991). All items were measured along a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree). Online members of the Indian Social Networking Community, Cyworld, were the respondents being surveyed. Empirical data was collected using web-based survey which was made available through a homepage to members of the SNC. The survey questions were formulated in English and double-checked by an IS professor.

The survey was conducted over a period of 6 weeks with each respondent receiving 3,000 Indian Rupees in exchange for completing the online questionnaire. A total of 225 completed and usable responses were obtained as the final sample. There are more male respondents than female, with males making up 60.9% of the sample size. Majority of the respondents are between 20 to 29 years old (68.8%) with the mean age being 23.06 years, indicating a youthful group of VC users. In terms of profession, about 91.1% of the respondents are employees and students. The respondents are generally proficient with Internet usage as 85.3% of them have at least 7 years of Internet experience. 96.4% of those surveyed have been using Cyworld for at least a year.

Data analysis and results

A Pearson correlation analysis was conducted before hypothesis test. The correlation coefficients, means, and standard deviations of all variables are summarized in Table 1. Since a few correlations among some independent variables were considered relatively high, potential multicollinearity among the independent variables was checked before the multiple regression analyses. Their variance inflation factors (VIP) values were lower than 10,

indicating that multicollinearity is not likely to distort testing results substantially in our research.

Table 1. Correlation Analysis (*: $p < 0.05$; **: $p < 0.01$)

	Mean	S.D.	1	2	3	4	5
1. Price Utility	2.999	1.267					
2. Quality	4.400	1.390	.276**				
3. Playfulness	3.847	1.278	.262**	.562**			
4. Social Self-Image	3.714	1.523	.233**	.436**	.449**		
5. Social Relationship	3.859	1.357	.140*	.349**	.468**	.511**	
6. Purchase Intention	4.301	1.849	.181**	.391**	.522**	.498**	.389**

Multiple regression analysis results, as illustrated in Figure 3, show that Playfulness ($\sim = 0.328$, $p < 0.001$) and Social Self-Image ($\sim = 0.292$, $p < 0.001$) have significant relationships with Purchase Intention of Digital Items. Thus, hypotheses H3 and H4 are supported. However, Price Utility, Quality and Social Relationship were not found to have a significant relationship with Purchase Intention. Therefore, hypotheses H1, H2 and H5 are not supported. The five independent variables totally explained about 37% of the variance for Purchase Intention.

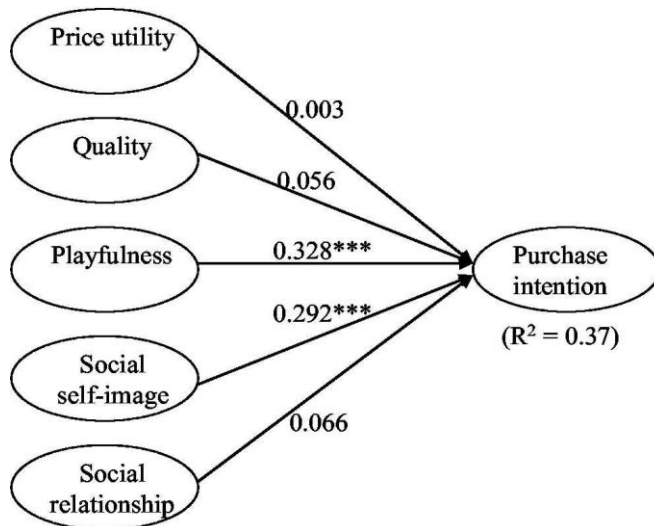


Figure 3. Results of Hypotheses Testing (***: $p < 0.001$)

Discussion of findings

The major finding of this study is that perceived *playfulness* and *social self-image* are

significant factors influencing consumers' intention of purchasing digital items in VCs. Our finding that playfulness affects the purchase intention is similar to marketing research which suggests that emotional or hedonic values gained by customers through product consumption lead them to form more positive intentions towards purchase and usage of these products. As Csikszentmihalyi (1975) noted, a positive subjective experience becomes an important reason for performing an activity. This is also consistent with what other researchers like Mathwick et al. (2001) have validated in other contexts.

Social Self-Image was also found to have a significant positive effect on the purchase intention. From the symbolic interactionism perspective, individual's self-image is largely based on others' appraisals (e.g. Solomon 1983; Sirgy 1982). VC members especially in the Social Network Communities are concerned with the projection of how they appear to others, especially in this online social networking environment where the display of self or identity can be highly visible to others through personal profiles and reputation indicators. As Boyd et al. (2004) suggested, digital items can provide visible and audible cues to better present the portrayal of their identities to others, reducing the difficulty of for others to gauge them. Members strive to enhance their social self-image through the consumption of digital items because these items can offer them a greater level of representation and articulation in the online space, allowing them to better craft the image of themselves which they wish others to have of them. Therefore, the consuming behavior of an individual will be directed toward enhancing social self-image through consumption of digital items as symbols.

However, price utility was found to be insignificant to the purchase intention. This means that although the price of the digital items are perceived to be reasonable, SNC members may still not be interested to purchase and use them if they do not perceive value from aspects like Playfulness and Social Self-Image. However, the insignificance of price utility might be due to the fact that survey respondents who have not purchased any digital item before tend to hold a fuzzy perception of the prices of the digital items.

Quality was also found to have insignificant relationship with the purchase intention, indicating that subjects do not perceive quality of digital items as an important subcomponent of value leading to their purchase intentions. Since digital items generally are not subject to tangible quality degradation like non-digital products in the real world, consumers might be indifferent to the value deriving from quality in the context of digital items. As digital items constitute higher level abstract dimensions of quality (Garvin 1987), assessing the notion of quality can be more subjective. Social relationship was also insignificant to the purchase intention. It might be because not many members in the context of this SNC have discovered or experienced the usefulness of digital items for Social Relationship, making them more indifferent to the perceived value that can come from Social Relationship during the consumption of digital items. More studies need to be conducted to investigate the consistency of this finding.

Conclusion

Several VCs (e.g., Cyworld, HabboHotel, and SecondLife), especially social network VCs other than online game web sites, have started generating revenue from the sales of digital items (e.g., avatars) to their members. It is clear that the sale of digital items to VC members has been a prominent revenue model for VC service providers. However, there has been lack

of understanding about why members purchase digital items in the VCs. Going beyond previous research, this study investigated what motivates VC members to buy digital items from the customer value theory perspective and identified five factors over three dimensions of customer value. From the empirical validation, the two variables of playfulness and social self-image were centered in affecting the intention to purchase digital items in a VC. Furthermore, we found that the effect of customer value on VC members' intention to purchase digital items is important in the emotional and social value dimensions rather than the functional value. These findings provide significant implications for practitioners who want to develop a unique, profitable business model and increase the sales of digital items in the VC context.

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A STUDY ON RETURNS GENERATION THROUGH VARIOUS INVESTMENT AVENUE (1999-2009) AND SUGGESTION FOR INVESTMENT PLANNING

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Abstract

Investment is essential for every individual for his/her well-being. There exist several investment opportunities in the market, which would provide different rate of return to the investors. Every investor needs to understand the prospects and constraints of the different investment opportunities available in the market. This study has analyzed the return on Fixed Income Securities (Fixed Deposits) and Non-Fixed Return Investments (Share Market BSE-SENSEX, NSE-Nifty-Fifty, Commodities- Gold and Silver, Mutual Funds) for a period of 10 years from 1-04-1999 to 31-3-2009. The study reveals that the return on investments varied based on the risk associated with the investment. The Fixed Deposits had low risk and thereby resulted in lower return to the investors, whereas the investment in Mutual Funds, Commodities and Share Market had high risk and brought higher returns. The investor need to proportionately invest in various risk profiles depending on their expectations and can earn accordingly.

Introduction

Investment Opportunities:

Bank Fixed Deposits are also known as Term Deposits. In a Fixed Deposit Account, a certain sum of money is deposited in the bank for a specified time period with a fixed rate of interest. The rate of interest depends on the maturity period. It is higher in case of longer maturity period. There is great flexibility in maturity period and it ranges from 15days to 10 years. The rate of interest for Bank Fixed Deposits varies between 4 and 11 per cent, depending on the maturity period (duration) of the FD and the amount invested. The interest can be compounded quarterly, half-yearly or annually and varies from bank to bank. Premature withdrawal is permissible but it involves loss of interest.

Share Market:

The stock market consists of primary segment and a secondary market. New securities are issued in the primary market and outstanding securities are traded in the secondary market. The secondary market in India comprises of twenty two stock exchanges recognized by the Government under Securities Contracts (Regulation) Act. The principal Stock exchanges are National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), accounting for the bulk of the trading on the Indian Stock Market.

Commodities-Silver and Gold:

Gold is primarily a monetary asset and partly a commodity. More than two third of the gold's total accumulated holdings account as 'value for investment' with central bank reserves, private players and high-carat Jewellery. Less than one third of the gold's total accumulated holdings account as 'commodity' for Jewellery in Western markets and used in industry. The Gold market is highly liquid and gold held by central banks, other major institutions and retail Jewellery keep coming back to the market. Silver's unique properties make it a very useful 'Industrial Commodity', despite it being classed as a precious metal by the Government and investors. Economically viable primary silver mine is a function of the world silver price level.

Mutual Funds:

Mutual fund in India is a kind of method for investment in which people collect their money and then make investments in different securities such as cash investments, stock, or bonds. Each mutual fund in India has a fund advisor and this is the reason that it is also known as managed funds. The various kinds of mutual fund in India are Income Funds, Balanced Funds, Tax Saving Funds, Mid- Cap Funds, and Growth Funds.

Statement of the problem:

Today the recession has brought about various effects within the country. The recession has resulted in the decreased money supply, increase in the unemployment problems thus resulting in the decreased economic condition within the country. To overcome the effect of recession and to stabilize the economic situation within the country, the people in the country must invest in any one of the several opportunities. This would provide them the constant return which will enhance individuals and country's economic condition. This research helps to investors to choose best investment option.

Objectives of the study

- To analyse the return on Fixed Deposits, Share Market (BSE-SENSEX and NSE-Nifty-Fifty), Commodities (Gold and Silver) and Mutual funds from 1- April-1999 to 31-March-2009.
- To identify the risk and return associated with the various types of investments.
- To analyse the movement of market index-BSE-SENSEX and NSE-Nifty-Fifty and commodity-Gold and Silver price over years.
- To identify the best investment opportunity, where the yield will be maximum.

Concept:

The study analyses the return from various investment opportunities, thus enlighten the knowledge of the investor. The fluctuations in the return from the various investment opportunities can be better understood by the investor, thereby giving insight about the risk involved. Through this study, the investor can opt for the better investment opportunity which suits the investor's risk taking characteristics and the need for return.

Limitations of the study:

- The calculation of return on investment in Share Market includes the BSE-SENSEX and NSE-Nifty-Fifty close-price only. The dividend amount paid by the company to the investor was not taken into account.
- The amount invested was locked-in for ten years and the investor cannot take the money out from 1 April 1999 to 31 March 2009.
- The time value of money was not considered.
- The time period for the study was two months which has limited the extent of the research.
- The study analysed the return from the investment only during the time period 1 April 1999 to 31 March 2009. Those who have invested in a different time period cannot calculate the corresponding return.

Review of Literature:

M.Kakati, Namrata Saikia, (2009), “ Abnormal Profit Opportunity in Indian Capital Market Revisited”. This paper investigates residual risk and return and the potential for value maximization in the Indian capital market, considering 401 Indian stocks. The concept of information ratio measures residual return per unit of residual risk, and also the value maximization model, which optimizes residual risk-return, considering the different levels of risk-taking capability of the investor. **K.N.Badhani, (2008), “Long Memory in Stock Returns and Volatility in India: A Nonparametric Analysis”.** This paper tests the long memory in daily aggregate returns on S&P CNX Nifty index and its volatility using Rescaled Range (R/S)-type nonparametric tests. The results do not show long memory in returns, but their squared and absolute values (which represent the volatility) show robust presence of long-range dependence in the data for the entire sample period. However, in a subsample covering the period from March 2001 to December 2007, the volatility measures do not show long memory. **Soumya Guha Deb, Ashok Banerjee and B B Chakrabarti, (2006), “Value Premium in Indian Equity Market: An Empirical Evidence”.** For many years researchers have argued that “value strategies” outperform ‘growth strategies’. This paper attempts to explore this possibility in the Indian stock market and find the magnitude and pattern of value premium, if any. **Abhijeet Chandra, (2009), “Individual Investors' Trading Behavior and the Competence Effect”.** The paper analyzes the impact of competence of individual investors on their trading behavior in the stock market. Individual investors are seen trading too frequently. This impacts their returns from their investments, their belief in the stock markets, and also the functioning of financial markets to some extent. Investors with high level of competence tend to trade more frequently. **Manish Mittal, R.K.Vyas, (2007,) “Demographics and Investment Choice Among Indian Investor”.**s. Traditional economics describes human beings as rational decision makers, but it has been observed that investors do not always act rationally. Behavioral finance is a new emerging science which focuses on understanding how psychology affects investment decision. The demographic variables, such as age, education, income, and marital status affect individual's investment decisions. This paper investigates how investment choice gets affected by the demographics of the investor. **Marco Realdon, (2009), “Revisiting the Valuation of Inflation Indexed Bonds and Derivatives”.** This paper presents a tractable model in closed form for pricing inflation indexed bonds, swaps and options. In keeping with empirical evidence, the model predicts that deflation is unlikely. Various model variants have been presented in this paper. Inflation may ‘jump’. Nominal interest rates may be modeled through a Gaussian model, a quadratic

model, etc. Closed-form solutions for inflation indexed bonds, swaps and options have been presented in both continuous and discrete time settings. **Debasis Bagchi, (2007), “An Analysis of Relative Information Content of Volatility Measures of Stock Index in India”.** This paper analyzes the relative impact of volatility measure computed from the four parameters, such as closing, high and low quotes of the day as well as a combination of these three on the stock index return. In addition, various time-steps are also selected for such computation. **Pratap Chandra Pati, K Kiran Kumar, (2007), “Maturity and Volume Effects on the Volatility: Evidences from Nse Nifty Futures”.** This study examines the volatility dynamics and investigates the Samuelson Maturity Hypothesis, a source of non-stationary in the volatility of futures price, in the context of the Indian Futures Market by taking Nifty Index Futures traded on NSE. **Samuelson (1965),** by assuming that spot price, follows an autoregressive order of one and futures price is an unbiased estimator of expected spot price at maturity, stated that volatility of futures price *increases as the time-to-maturity (TTM) of futures contract approaches.* **Arindam Gupta, Debashis Kundu, (2006), “Reaction of Indian Stock Prices to Select Economic and Political Events: A study from 1991 to 200”**⁵. This paper analyzes the impact of select macroeconomic and political events on two popular Indian stock market indices—the Sensex and the BSE 200. A total of 55 economic and 44 political events were identified from 1991 to 2005. A number of studies hitherto have examined the effect of macroeconomic events on stock prices but have mixed findings. Moreover, those studies have rarely incorporated political events.

Research Methodology:

This study is descriptive in nature. This study describes the characteristics of variables like Fixed Deposit Rate, SENSEX Range, Gold and Silver Price, NAV of various Mutual fund schemes. The study also describes the return on various Fixed and Non-Fixed Return Investments. The data is collected from secondary sources through the Internet, websites, Government publications and Annual Reports of Reserve Bank of India. The study is done in which data are gathered just once to answer a research question. Hence this study is one-shot or cross-sectional studies.

Tools used for Analysis

The Tools used for analysis of data are as follows:

1. Simple Interest:

$$S.I = (P*N*R) / 100$$

where,

P=Principal Amount (Rs.)

N-Number of years

R-Rate of Interest (%)

2. Yield%:

$$\text{Yield\%} = ((\text{Today's price} - \text{Yesterday's price}) / \text{Yesterday's price}) * 100$$

3. Return:

$$\text{Return Amount (Rs.)} = \text{Deposit Amount (Rs.)} + \text{Interest Amount earned (Rs.)}$$

4. Net Asset Value:

NAV= (Market Value of all securities held by fund + Cash and equivalent holdings – Fund Liabilities)/ (Total Fund Shares Outstanding)

Analysis and Interpretation:

Fixed deposits: The interest rate of fixed deposits for ten years (April 1999-March 2009) is shown in the table.

Table:1.1. Fixed Deposits Interest Rate (April-99 to March-09)

Deposit Period	Interest Rate Range (%)
April 1999-March 2009	10.00-10.50

Table:1.2. Calculation of Return from April-1999 to March-2009 (Interest Rate-10%)

Year	Deposit Amount on 1st April(Rs.)	Interest Rate (%)	No. of year	Interest Amount Earned on 31-Mar(Rs.)	Principal Amount deposited for next year(Rs.)
1999-2000	100000.00	10	1	10000.00	110000.00
2000-2001	110000.00	10	1	11000.00	121000.00
2001-2002	121000.00	10	1	12100.00	133100.00
2002-2003	133100.00	10	1	13310.00	146410.00
2003-2004	146410.00	10	1	14641.00	161051.00
2004-2005	161051.00	10	1	16105.10	177156.10
2005-2006	177156.10	10	1	17715.61	194871.71
2006-2007	194871.71	10	1	19487.17	214358.88
2007-2008	214358.88	10	1	21435.89	235794.77
2008-2009	235794.77	10	1	23579.48	259374.25

From the table, it was clearly understood that the fixed deposits has provided a constant increase in the return from Rs.100000 to Rs.259374.25 within ten years (April-99 to March-09) when interest rate was 10%. The cumulative yield was nearly 160%. The return did not fluctuate every year and the return was constantly increasing irrespective of the market condition or the global economy which is the characteristic of the Fixed Deposits.

Table:1.3.Calculation of Return from April-1999 to March-2009 (Interest Rate-10.50%)

Year	Deposit Amount on 1st April(Rs.)	Interest Rate (%)	No. of years	Interest Amount Earned on 31-March (Rs.)	Principal Amount deposited for next year(Rs.)
1999-2000	100000.00	10.50	1	10500.00	110500.00
2000-2001	110500.00	10.50	1	11602.50	122102.50
2001-2002	122102.50	10.50	1	12820.76	134923.26
2002-2003	134923.26	10.50	1	14166.94	149090.21
2003-2004	149090.21	10.50	1	15654.47	164744.68
2004-2005	164744.68	10.50	1	17298.19	182042.87
2005-2006	182042.87	10.50	1	19114.50	201157.37
2006-2007	201157.37	10.50	1	21121.52	222278.89
2007-2008	222278.89	10.50	1	23339.28	245618.18
2008-2009	245618.18	10.50	1	25789.91	271408.08

From the table, it was clearly observed that the fixed deposits has provided a constant increase in the return from Rs.100000 to Rs. 271408.08 within ten years (April-1999 to March-2009) when interest rate is 10.5%. The cumulative yield at 10.5% interest was nearly 171%. The return did not fluctuate every year.

Investment in the Share Market

Table:2.1.SENSEX Range from April-99 to March-09

Date	Adjusted Close
01-04-1999	3686.29
31-03-2000	5001.28
30-03-2001	3604.38
28-03-2002	3469.35
31-03-2003	3048.72
31-03-2004	5590.6
31-03-2005	6492.82
31-03-2006	11279.96
30-03-2007	13072.1
31-03-2008	15644.44
31-03-2009	9708.5

From the table, it was clearly observed that the close price value of SENSEX varied greatly from 1-April-1999 to 31-March-2009. The SENSEX Range increased about 35% from 1-April-1999 to 31-March-2009. The SENSEX followed a decreasing trend continuously for three years (2000-2003) which then increased to a greatest extent within 5 years (2003-2008). During 2008-2009, the SENSEX decreased to 9708 by 37%. The movement of SENSEX from 3686.29 to 9708.5 with fluctuations in between can be observed from the chart.

The Yield from April-03 to March-04 was 83.38% which was higher than yield from any other financial year. The financial year 2008-2009 has provided a higher negative yield (-37.94%) than any other financial year. The average of the positive yield was 40.75%, whereas the average of the negative yield was 20.44%. Though maximum of the years has provided the positive return, the average of the positive yield is only 20% higher than that of the average of the negative yield.

Table:2.2 Yield (%) from April-99 to March-09

Year	Yield%
1999-2000	35.67
2000-2001	-27.93
2001-2002	-3.75
2002-2003	-12.12
2003-2004	83.38
2004-2005	16.14
2005-2006	73.73
2006-2007	15.89
2007-2008	19.69
2008-2009	-37.94

Table:2.3. Calculation of Return from April-99 to March-09

Year	Deposit Amt(Rs.) (1 April)	Yield%	Deposit Duration (year)	Interest amount earned Rs.	Principal
1999-2000	100000.00	35.67	1	35672.45	135672.45
2000-2001	135672.45	-27.93	1	-37894.47	97777.98
2001-2002	97777.98	-3.75	1	-3663.03	94114.95
2002-2003	94114.95	-12.12	1	-11410.66	82704.29
2003-2004	82704.29	83.38	1	68954.97	151659.26
2004-2005	151659.26	16.14	1	24475.01	176134.27
2005-2006	176134.27	73.73	1	129863.36	305997.63
2006-2007	305997.63	15.89	1	48616.36	354613.99
2007-2008	354613.99	19.68	1	69781.27	424395.26
2008-2009	424395.26	-37.94	1	-161027.48	263367.78

From the table, it was observed that there exists high risk of getting fixed return every year which is the characteristic of the share market. There existed negative returns continuously for 3 years (2000-2003). Hence on 31-March-2003, the return was very low bringing about a loss of nearly Rs.17295 to Rs.82704.29. But during the immediate financial year 2003-2004 the

return was about Rs.151659.26, with the increase in the invested amount of about Rs.51000. Then with the continuous positive yield% for the consecutive financial years, the return surged to nearly Rs. 424395 on 31-March-08 but reduced to Rs. 263367.78 in the immediate financial year 2008-2009.

Investment in national stock exchange-nifty-fifty:

Table:3.1.Nifty-Fifty Range from April-99 to March-09

Date	Adjusted Close
01-April-99	1063.45
31-March-00	1528.45
30-March-01	1148.2
28-March-02	1129.55
31-March-03	978.2
31-March-04	1771.9
31-March-05	2035.65
31-March-06	3402.55
30-March-07	3821.55
31-March-08	4734.5
31-March-09	3020.95

The movement of Nifty-Fifty Range from 1063.45 to 3020.95(April-1999 to March-2009) with fluctuations in between can be observed from the table. The close price of Nifty-fifty has been decreased from 1528 to 978 within three years (2000-2003). The Nifty-Fifty range then followed an increasing trend from April-03 to March-08. Thus the Nifty-Fifty range has been increased from 978.2 to 4734.5 on 31- March-08. The close price decreased by 36% during next financial year (2008-2009).

Table:3.2. Yield (%) from April-99 to March-09

Year	Yield%
1999-2000	43.73
2000-2001	-24.88
2001-2002	-1.62
2002-2003	-13.4
2003-2004	81.14
2004-2005	14.89
2005-2006	67.15
2006-2007	12.31
2007-2008	23.89
2008-2009	-36.19

The positive yield was higher during financial year 2003-2004 (81.14%) compared to other financial years. The negative yield was higher during financial year 2008-2009 (36.19%) than other financial years. The continuous negative yield for three years from 2000-2003 has been observed. The average of the positive yield was 40.52% and the average of the negative yield was 19.02%. The average of the positive yield was higher than the average of the negative yield.

Table:3.3. Calculation of Return from April-99 to March-09

Year	Deposit	Yield%	Deposit	Interest	Principal
1999-2000	100000.00	43.73	1	43725.61	143725.61
2000-2001	143725.61	-24.88	1	-35756.26	107969.35
2001-2002	107969.35	-1.62	1	-1753.73	106215.62
2002-2003	106215.62	-13.40	1	-14231.98	91983.64
2003-2004	91983.64	81.14	1	74634.44	166618.08
2004-2005	166618.08	14.89	1	24801.35	191419.44
2005-2006	191419.44	67.15	1	128534.49	319953.92
2006-2007	319953.92	12.31	1	39400.07	359353.99
2007-2008	359353.99	23.89	1	85847.95	445201.94
2008-2009	445201.94	-36.19	1	-161131.22	284070.71

From the table, it was observed that the return was highly fluctuating. There exists high risk of getting fixed return every year which is the characteristic of the share market. The continuous negative yield from 2000-2003 has decreased the return to Rs.91983.6 with a loss of Rs.8016.4. Then the continuous positive yield from 2003-2008 has increased the return to Rs.445201.94 by Rs.345201.94. The negative yield during the financial year 2008-2009 has decreased the return to Rs.284070 by Rs.161131.22. The return was increased to 184.07% within ten years when invested in National Stock Exchange.

Comparison of NSE-nifty-fifty and BSE-sensex returns:

Table:4.1.BSE-SENSEX and NSE-Nifty-Fifty Close price

Date	SENSEX-Adj.Close	Nifty-Adj.Close
01-04-1999	3686.29	1063.45
31-03-2000	5001.28	1528.45
30-03-2001	3604.38	1148.2
28-03-2002	3469.35	1129.55
31-03-2003	3048.72	978.2
31-03-2004	5590.6	1771.9
31-03-2005	6492.82	2035.65
31-03-2006	11279.96	3402.55
30-03-2007	13072.1	3821.55
31-03-2008	15644.44	4734.5
31-03-2009	9708.5	3020.95

The movement of both the SENSEX Range and NIFTY-FIFTY Range were almost the same. The SENSEX Adjusted Close Price and Nifty-Fifty Adjusted Close price has been increased during the financial year 1999-2000. Both values have been decreased from 2000-2003, then increased till March-08. The change in the close price of SENSEX is higher than that of the change in the close price of NIFTY-FIFTY except during the year 2007-2008.

Table:4.2. BSE-SENSEX and NSE-Nifty-Fifty Yield%

Year	Yield%-SENSEX	Yield%-Nifty-Fifty
1999-2000	35.67	43.73
2000-2001	-27.93	-24.88
2001-2002	-3.75	-1.62
2002-2003	-12.12	-13.4
2003-2004	83.38	81.14
2004-2005	16.14	14.89
2005-2006	73.73	67.15
2006-2007	15.89	12.31
2007-2008	19.68	23.89
2008-2009	-37.94	-36.19

The average of the positive yield from the investment in BSE and NSE from April-99 to March-09 were 40.75% and 40.52% respectively. The average of the negative yield from the investment in BSE and NSE from April-99 to March-09 were 20.44% and 19.02% respectively. The change in the BSE SENSEX is higher than the change in the Nifty-Fifty range as shown in the table.

Table:4.3. BSE-SENSEX and NSE-Nifty-Fifty Return

Year	Principal amount (31st March) (Rs.)-BSE SENSEX	Principal amount (31st March) (Rs.)- Nifty-Fifty
March-00	135672.45	143725.61
March-01	97777.98	107969.35
March-02	94114.95	106215.62
March-03	82704.29	91983.64
March-04	151659.26	166618.08
March-05	176134.27	191419.44
March-06	305997.63	319953.92
March-07	354613.99	359353.99
March-08	424395.26	445201.94
March-09	263367.78	284070.71

The table shows the decreasing trend in BSE SENSEX and NSE Nifty-Fifty Range from 2000-2003 hence the return also has been decreased. The difference between the return on 31-March-03 was Rs.9279.35, where the return from BSE SENSEX was lesser than the NSE-Nifty-Fifty return. The BSE SENSEX and NSE Nifty-Fifty Range has been increased from April-03 to March-08, thus the return has been increased. The difference between the return on 31-March-08 was Rs.20806.68, where the return from BSE SENSEX is lesser than the NSE-Nifty-Fifty returns. The difference between NSE-Nifty-Fifty and BSE-SENSEX return was Rs.20702.93 with higher return from NSE-Nifty-Fifty.

Investment in Silver

The Silver price range from April-99 to March-09 is shown in the table

Table: 5.1.Silver price Range from April-99 to March-09

Year	Silver Price (\$ per ounce)	Dollar Value in Rupees	Silver Price (Rupee per ounce)	Silver Price (Rupee per gram)
01-April-99	5.01	42.43	212.57	6.83
31-March-00	4.935	43.58	215.07	6.91
31-March-01	4.33	46.63	201.90	6.49
31-March-02	4.675	48.8	228.14	7.33
31-March-03	4.46	43.4	193.56	6.22
31-March-04	7.825	44.47	347.98	11.19
31-March-05	7.1875	43.74	314.38	10.11
31-March-06	11.755	44.62	524.51	16.86
31-March-07	13.35	43.47	580.32	18.66
31-March-08	17.99	40.15	722.3	23.22
31-March-09	13.11	50.73	665.07	21.38

The silver price has been alternatively increasing and decreasing from 1999-2005. Then the silver price continued to increase from 2005-2008 with a surge in the silver price during financial year 2005-2006. The increase in the Silver price from 2003-2004 was also higher about 79%. On the whole, Silver Price increased from Rs.6.8 per gram to Rs.21.38 per gram from April-1999 to March-2009, where the increase was about 214%.

Table:5.2.Yield (%) from April-99 to March-09

Year	Yield%
1999-2000	1.17
2000-2001	-6.12
2001-2002	12.99
2002-2003	-15.16
2003-2004	79.77
2004-2005	-9.65
2005-2006	66.84
2006-2007	10.64
2007-2008	24.46
2008-2009	-7.92

From the table, it was clearly understood that the positive yield was higher during financial year 2003-2004(79.77%) compared to other financial years. The negative yield was higher during financial year 2002-2003(15.16%) than other financial years. The average of the positive yield was 32.65% and the average of the negative yield was 9.71%. The average of the positive yield was higher than the average of the negative yield.

The return during the year 2005-2006 was nearly 66% which was the highest of the other financial years. This helped heavily to increase the return for the investors. Out of ten financial periods, four financial periods have negative return. Though nearly half of the financial years taken into consideration have negative return, the average of the negative return (9.71%) was lower than the average of the positive return (32.65%). Hence the return on March-09 was Rs.312864.87.

Table:5.3. Calculation of Return from April-99 to March-09

Year	Deposit amount(1-April)(Rs.)	Yield%	No. of years	Interest amount earned (Rs.)	Principal amount(31-Marchch) (Rs.)
1999-2000	100000.00	1.17	1	1172.77	101172.77
2000-2001	101172.77	-6.12	1	-6190.49	94982.27
2001-2002	94982.27	12.99	1	12340.20	107322.48
2002-2003	107322.48	-15.16	1	-16265.37	91057.10
2003-2004	91057.10	79.77	1	72639.90	163697.00
2004-2005	163697.00	-9.65	1	-15804.59	147892.41
2005-2006	147892.41	66.84	1	98848.66	246741.07
2006-2007	246741.07	10.64	1	26257.36	272998.43
2007-2008	272998.43	24.46	1	66787.94	339786.37
2008-2009	339786.37	-7.92	1	-26921.50	312864.87

INVESTMENT IN GOLD:

The Gold price range from April-99 to March-09 is shown in the table:

The gold price has been alternatively increasing and decreasing from 1999-2005. Then the gold price continued to increase from 2005-2008 with a surge in the gold price during financial year 2007-2008. On the whole, Gold Price has increased from Rs. 382.71 per gram to Rs. 1494.82 per gram from April-1999 to March-2009, where the increase was about 290%.

Table:6.1. Gold Price Range from April-99 to March-09

Year	Gold Price (\$ per	Dollar Value in Rupees	Gold Price(Rupee per ounce)	Gold Price(Rupee per gram)
01-April-99	280.55	42.43	11903.74	382.71
31-March-00	276.75	43.58	12060.77	387.76
31-March-01	257.7	46.63	12016.55	386.34
31-March-02	301.4	48.8	14708.32	472.88
31-March-03	334.85	43.4	14532.49	467.23
31-March-04	423.7	44.47	18841.94	605.78
31-March-05	427.5	43.74	18698.85	601.18
31-March-06	582	44.62	25968.84	834.92
31-March-07	661.75	43.47	28766.27	924.86
31-March-08	933.5	40.15	37480.03	1205.01
31-March-09	916.5	50.73	46494.04	1494.82

Table:6.2. Yield (%) from April-99 to March-09

Year	Yield%
1999-2000	1.32
2000-2001	-0.37
2001-2002	22.4
2002-2003	-1.2
2003-2004	29.65
2004-2005	-0.76
2005-2006	38.88
2006-2007	10.77
2007-2008	30.29
2008-2009	24.05

From the table, it was clear that the positive yield was higher during 2005-2006 (38%) than any other financial year taken into consideration. The negative yield was higher during 2002-2003(1.2%) than any other financial year. The average of the positive yield was 22.48%, where the average of the negative yield was 0.77%. This has resulted the increase in the return from the investment in gold.

Table:6.3. Calculation of Return from April-99 to March-09

Year	Deposit amount on 1-April (Rs.)	Yield%	Deposit Duration(Ye ar)	Interest Amount Earned (Rs.)	Principal amount on 31-March (Rs.)
1999-2000	100000.00	1.32	1	1319.15	101319.15
2000-2001	101319.15	-0.37	1	-371.43	100947.72
2001-2002	100947.72	22.40	1	22612.81	123560.53
2002-2003	123560.53	-1.20	1	-1477.10	122083.43
2003-2004	122083.43	29.65	1	36202.49	158285.92
2004-2005	158285.92	-0.76	1	-1202.05	157083.87
2005-2006	157083.87	38.88	1	61073.18	218157.05
2006-2007	218157.05	10.77	1	23500.46	241657.50
2007-2008	241657.50	30.29	1	73201.83	314859.33
2008-2009	314859.33	24.05	1	75724.29	390583.62

The gold price increased by 290.58% from April-1999 to March-2009, which has resulted the increase in the return from Rs.100000 to Rs.390583 within ten years. From April-1999 to March-2009, the yield% is negative only for three financial years.

Investment in mutual funds:

Comparison of return on investments in various kinds of mutual funds

Table:7.1 Comparison of return on Investments in various kinds of Mutual funds

Investment in Mutual funds	Return on Investment as on 31-March-09(Rs.)
Income Funds:	
Birla Income Plus - Retail (G)	254066.71
Liquid funds	
JM High Liquidity Fund (G)	204863.71
Liquid fund-Institutional Premium plus	
UTI Money Market Fund (G)	202267.31
Gilt Funds	
Kotak Gilt Savings Plan (G)	199360.03
Equity Funds	
Franklin India Prima Fund (G)	630993.15
Tax Plans:	
Franklin India Tax Shield (G)	1087639.18
Balanced Funds:	
HDFC Prudence Fund (G)	700413.48

The return on investment in Tax plan - Franklin India Tax Shield (G) on 31-March-2009, which was about Rs.1087639 was higher than the return from investment in any other funds. The return has increased tenfold within ten years from April-1999 to March-2009. Next to that, the investment in Balanced Funds - HDFC Prudence Fund (G) has provided sevenfold return on 31-March-2009. Franklin India Prima Fund (G) was the equity fund with a return of about Rs. 630993 on 31-March-2009. The lowest return was from the Kotak Gilt Savings Plan (G) which is the Gilt fund and the return was about is Rs. 199360. The difference between return on 31-March-2009 from the rated No.1 various kinds of funds was Rs.888279.15.

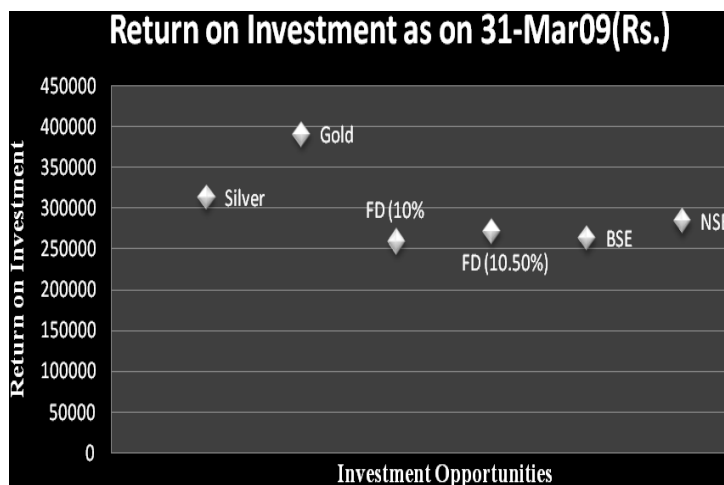
Comparison of return on investments in various kinds of investments:

Table:7.2 Comparison of return on various types of Investments

Investment Type	Return on Investment as on
Fixed Deposits (Interest Rate-10%)	259374.25
Fixed Deposits (Interest Rate-10.50%)	271408.08
BSE-SENSEX	263367.78
NSE-Nifty-Fifty	284070.71
Silver	312864.87
Gold	390583.62

The return on investment in Gold was higher than that of any other investments. The return on investment in Gold on 31-March-2009 was Rs. 390583.62. The return was nearly four-fold from the investment in Gold. Next to the investment in Gold, the return on investment in Silver on 31-March-2009 was Rs. 312864.87. The investment in BSE-SENSEX and NSE-Nifty-Fifty has the return of about Rs. 263367 and Rs. 284070 respectively on 31-March-2009. The investment with the least return was the Fixed Deposits (Interest rate 10%) with the return of Rs. 259374.25 on 31-March-2009. The risk associated with the investment in Fixed Deposits was low, hence the return was low. The difference between the return on investments in Fixed deposits with interest rate 10% and 10.5% on 31-March-2009 was Rs.12033. The difference between the return on investments in BSE-SENSEX and NSE-Nifty-Fifty was Rs.20702. The difference between the return on investment in commodities Gold, Silver on 31-March-2009 was Rs.77718.

Chart:1.1 .Comparison of return on various types of Investments



Findings

The Fixed Deposits from 1-April 1999 to 31-March 2009 has yielded the return of Rs. 159374.25 at 10% interest and Rs. 171408.08 at 10.50% interest. The yield from Fixed Deposits did not fluctuate much over the ten years (1999 – 2009) and has been constantly increasing irrespective of the market condition or the global economy.

The return from the investment of Rs 1 lakh was 1.8 lakhs in NSE-Nifty-Fifty and was 1.6 lakhs in BSE-SENSEX as on 31 March 2009. The risk associated with the return from Share Market was high, since the BSE SENSEX and NSE Nifty-Fifty close price varied greatly from 1-April 1999 to 31-March 2009. The difference between the return on investment in BSE SENSEX and that of the NSE Nifty-Fifty was Rs.20000 as on 31 March 2009. The return on investment was higher in NSE-Nifty-Fifty and BSE-SENSEX than the return from Fixed Deposits (10%) as on 31 March 2009. The return on investment was lesser in NSE-Nifty-Fifty and BSE-SENSEX than the return on investment in Gold and Silver as on 31 March 2009.

The silver price has increased from Rs.6.83/gm in April 1999 to 21.38/gm in March 2009 with fluctuations in-between. The fluctuations in the silver price from 1-April 1999 to 31-March 2009 has been high, hence the risk associated with the investment in Silver was also high. The investment in Silver has provided the return of about 213% which was Rs. 212864.87 on 31-Mar-2009. The return and risk associated with the investment in Silver was high, since the price of Silver depends heavily on the supply and demand in the market. The return on investment in Silver was higher than the return from Fixed Deposits and Share Market (NSE-Nifty Fifty and BSE-SENSEX) as on 31 March 2009. The return on investment in Silver was lesser than the return on investment in Gold as on 31 March 2009.

The Gold price has increased from Rs. 382.71/gm in April 1999 to Rs.1494.82/gm in March 2009. The Gold price has increased by 290% from April 1999 to March 2009 with fluctuations in-between. The fluctuations in the gold price from 1-April 1999 to 31-March 2009 was high, hence the risk associated with the investment in gold was high. The return on investment in gold on 31 March 2009 was Rs. 290583.62. The return and risk associated with the investment in gold was high, since the price of gold depends heavily on the supply and demand in the market. The return on investment in gold was higher than the return from Fixed Deposits, Share market (NSE-Nifty-Fifty and BSE-SENSEX) and Silver as on 31 March 2009.

The return on investments in mutual funds varies with the various types of funds. Among the various mutual fund schemes, the lowest yield was 99.4% for Kotak Gilt Savings Plan (G) between April 1999 and March 2009. Among the various mutual fund schemes, the highest yield was 987.60% for Tax Plan-Franklin India Tax Shield (G) between April 1999 and March 2009.

Recommendations

The risk-averse investor can opt for investment in Fixed Deposits. The investors who need higher returns and those who are ready to take risk can invest in Share Market, Mutual funds and Commodities.

To reduce the risk associated with the investment in Share Market, Mutual Funds and Commodities, the amount can be invested proportionately in various kinds of investments.

Depending on the expectations of the investor, certain percent of the amount can be invested in Fixed Income Securities – Fixed Deposits and the rest can be invested in Non-Fixed return investment opportunities - Share Market-BSE-SENSEX, NSE-Nifty-Fifty, Commodities-Gold and Silver, Mutual Funds.

The risk-averse investor can invest at least 10% of the total investment in Non-Fixed return Investments - Share Market-BSE-SENSEX, NSE-Nifty-Fifty, Commodities- Gold and Silver, Mutual Funds to get higher returns. The fixed return can be obtained from remaining 90% percentage of investment in Fixed Income Securities – Fixed Deposits as per the expectations of the investor.

Alternatively, the risk takers can invest the maximum percent of the amount in Non-Fixed return Investments - Share Market-BSE-SENSEX, NSE-Nifty-Fifty, Commodities- Gold and Silver, Mutual Funds and minimum percent of the amount can be invested in Fixed Income Securities – Fixed Deposits which will bring the investor the minimum fixed return irrespective of the market condition.

Conclusion

The return on investment in Fixed Deposits on 31-March-2009 was low compared to other kind of investments. The return from the Fixed Deposits can be obtained with very low risk. In case of commodities, the Gold and Silver price fluctuated highly from Apr-1999 to March-2009 depending on the demand and supply in the market. Thus the risk associated with the return on investment in commodities was high. The return on investment in Gold on 31-March-2009 was higher than any other investments. Similarly, the investment in mutual funds has high risk and hence high return on 31-March-2009. The investor can proportionately invest in these different investment opportunities available to get a reasonable return without any heavy loss.

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CHALLENGES OF COMPETITIVE COLLABORATIONS

Dr. Pradip D. Ghorpade

Abstract

This paper is based on various aspects of collaborative collisions, right from what are the collaborative battles at the practice, program and system levels till how to avoid collaborative dissonance, some of the challenges at the system level which can be resulted because of collaborative competition are also discussed here. Such as, executive behavior may mirror that described above for unit managers – their attempts to create and interpret different collaboratives can divide community participation rather than unite it, administrators mandated to launch various collaboratives while struggling to conserve a finite pool of resources may be forced into maneuvers designed to secure the best position for their agency, as opposed to the best overall arrangement for the community service system. And, the politics of collaborative conflict may distract leaders from the important work of fostering the growth of a shared community vision. An attempt has been made towards creating a context for cooperation and how one can create a context for success. Based on these facts final conclusion has been made.

Collaborative collisions

Collaboration has become a watchword across the human service disciplines, driven by a desire for improved outcomes and responsiveness, and the pressure to do “more with less”. This has resulted in multiple collaborative initiatives attempting to co-exist in many communities. Frequently these initiatives espouse similar values: improved coordination, individualization and flexibility in services and a stronger voice for service recipients. In addition, they often share overlapping membership. Nonetheless, each collaborative develops its own tone, shape, language and culture, and each competes with the others for jurisdiction and resources, especially that scarcest of commodities, the time of direct care, supervisory and administrative staff.

1. COLLABORATIVE BATTLES AT THE PRACTICE, PROGRAM AND SYSTEM LEVELS

At the practice level, competing collaboratives can result in “multiple initiative disorder.” A family with several members who have complex needs might experience inclusion efforts authored by the schools, family decision meetings through the child welfare system, assertive community treatment via mental health organizations, and community-based restorative justice from the court system. Each of these may create expectations that service providers and family members engage in some form of joint, collaborative effort. This can lead to

confusion, endless meetings and contradictory plans. As a result, the effort each agency in a community pours into creating its own collaborative may inadvertently reduce the net amount of time that line staff of these agencies have for working together with families.

At the program level, the presence of competing collaboratives leaves managers facing difficult choices about where to put their time and energy. Confronted by multiple meetings for multiple initiatives it is difficult to sort out the merely urgent from the truly important. Managers are often asked to carry ambiguous messages to the staff they supervise about how to participate in the various initiatives. Interpreting these contradictory directives and translating them into action puts managers in the position of fostering fragmentation, even though the results contradict the core values behind each collaborative effort.

At the system level, collaborative competition can result in several challenges. First, executive behavior may mirror that described above for unit managers – their attempts to create and interpret different collaboratives can divide community participation rather than unite it. Second, administrators mandated to launch various collaboratives while struggling to conserve a finite pool of resources may be forced into maneuvers designed to secure the best position for their agency, as opposed to the best overall arrangement for the community service system. Third, the politics of collaborative conflict may distract leaders from the important work of fostering the growth of a shared community vision.

Charles Glisson and his colleagues at the University of Tennessee documented the negative impact of collaborative conflict in a challenging study published in 1998. The state of Tennessee had created an innovative pilot program in 12 counties to improve children’s services by reconfiguring the interorganizational mechanisms used to coordinate services. The program created autonomous case management teams to coordinate services from multiple systems for children entering state custody. Glisson matched the 12 pilot counties with 12 controls and studied both the process and its impact on children’s psychosocial functioning. Instead of helping, the attempt to increase coordination was found to have a negative impact on functioning. In discussing the results of their research, the authors observe that: “The more pronounced and visible the role of a services coordination team in a given area, the less responsibility caseworkers in the area assumed for the activities associated with the indicators of services quality, regardless of the needs of specific children.... By transferring key decisions to those who do not work directly with a child, personal responsibility for the child is reduced for those who do. The important point is that this reduction in personal responsibility for the child is not complemented by a comparable assumption of responsibility by service coordination teams.”²

² Glisson, Charles and Anthony Hemmelgarn (1998). The effects of organizational climate and interorganizational coordination on the quality and outcomes of children’s service systems. *Child Abuse and Neglect*, v. 22, n 5, pp 404 – 421, at p. 417.

2. AVOIDING COLLABORATIVE DISSONANCE

In the face of this frustration, the first impulse is to retreat to our respective agencies, build higher fences and deliver our jealously guarded individual services from within a siege mentality. But we've already been there and we know that doesn't work. The real learning is that in our first attempts to leave our enclaves, we inadvertently brought them along with us and transplanted them into the collaborative arena.

At the child and family level it is critical that we reflect on Glisson's observation and make sure that the key decision-makers are family members and those who are in a direct helping relationship with the family. In addition, we must simplify documentation and operate with a single shared process and not an ungainly amalgam of multiple, redundant and contradictory protocols. At the program level it is important for managers to develop and communicate to their staff an understanding of how the different initiatives in the community relate to each other. It is even more important for managers to identify opportunities for synthesizing competing collaboratives rather than falling into the trap of forced prioritization, in which we must choose which collaborative to join or at least decide which one will get our time this week. At the system level, the challenge for agency administrators and community leaders is to create a shared space for honest conversation and understanding that will permit a common vision, direction and set of operational processes to emerge.

3. CREATING A CONTEXT FOR COOPERATION

Communities that have experienced competing collaboratives are beginning to take a second run at this effort, using what they have learned, and, in many cases, rediscovering basic facts and values they already knew but may have forgotten. This is a sort of peacemaking, quelling the fires that arose when the first phase collaboratives collided. What seems to help this reconciliation is getting in touch with the values that drew us all into this business in the first place. One expression of the spirit needed to bring us back together comes from Jean Vanier, a co-founder of the L'Arche communities. He offers six simple points to guide us:

- Respect every individual human being
- Create space for people to grow and become mature
- Always stay in dialog
- Keep adapting mutual expectations
- Enjoy the differences among people
- Always direct your attentions to those who suffer most³

4. CREATING A CONTEXT FOR SUCCESS

Forming effective heterogeneous coalitions, especially those in which there are large power, resource and cultural differentials, is a difficult task. It requires a conscious understanding

³ Vanier's suggestions are quoted by Henri Nouwen in his book *The Road to Daybreak: A Spiritual Journey*, New York: Doubleday, 1988, p. 179. L'Arche is dedicated to placing people with the greatest need at the center of the community, an inversion of modern society's tendency to marginalize those who have significant handicaps.

and acceptance of what everyone is able and willing to bring to the table and what they have to take back home. Terry Mizrahi, a professor at the Hunter College School of Social Work of the City University of New York, and the director of the Education Center for Community Organizing, defines collaboration as the process that occurs when “representatives of different organizations come together for a common purpose while reconciling difference in power, commitment, contributions, ideology, race, class, gender, age, professional background, skill and resources.”⁴ She tells collaboration leaders that one of the keys to success is figuring out “what can the collaboration obtain from its members and what can [it] give to collaboration participants to sustain their commitment and contributions.”

5. CHANGE LESSONS

At all three operational levels there are lessons to be learned that will help us to better harness collaborative efficiency. These lessons include: recognizing that collaborative efforts require time to build; always focusing on the positive and the possible; and developing and using skills in negotiation, trade off, and compromise.

Time. There is no short cut to building an effective community-based response at the practice, program, and system levels. Just as we know that wraparound teams need to meet regularly to develop and manage a creative support plan, so too must collaborative representatives from program management and system administration create safe haven forums where they can take the time to objectively discuss the current collaboratives and begin to define opportunities where they overlap and compliment one another.

Positive focus. Too often the wraparound process gets side-tracked by yes-butting, trash-talking and the tendency to run down whoever isn't in the room. Trapped in the negative force fields of stalled collaboratives, we find ourselves spinning tales of doom and gloom. Leaders at all levels (child and family team facilitators, unit supervisors, agency administrators, family members and community stakeholders) must face the challenge of keeping everyone's hope-o-meter in the green.⁵ Community initiatives often fail due to the absence of one or more persons willing to carry this torch.

The art of the deal. In order to move beyond competing initiatives, community partners will need skills in discovering what they can negotiate, when they can trade off, and where they can compromise. To do this they will need to be clear about what they bring to the enterprise, clear about the boundaries they are pushing against, and clear about the limits of their own flexibility. Relationships are the key to successful collaboration – only in an on-going relationship can partners effectively find solutions that balance process and product. At first

⁴ Mizrahi, Terry (1999) “Strategies for effective collaborations in the human services,” *Social Policy*, v. 29, n. 4, pp. 5-20.

⁵ Thanks to Maurite Davis and Peggy Younglove, parent advocates in Clackamas County, Oregon and their partners at the Oregon Family Support Network for creating the concept of the hope-o-meter.

this is done by trial and error, usually through smaller trust transactions, but over time participants develop a sense of the art of this balancing.

Mizrahi believes that to really take advantage of these lessons an enabler/facilitator role is needed for the collaboration to progress and should be built into the collaborative work plan, separate from, and in addition to, the staff needed to meet specific project goals.

6. SUCCUMBING TO THE MYTH OF BENEFICENCE

The myth of beneficence is the willingness to operate with the untested assumption that because we are acting with good intentions we will produce good results. The inquiry by Charles Glisson and his colleagues described above is an example of challenging the myth of beneficence. Glisson's research was remarkable in several aspects: first, he was willing to test the connection between process and product in human services; second, he examined not only fidelity to the process, but collateral factors impinging on the implementation and execution of the process; third, he made a sincere effort to learn from what he saw. Glisson tested the reality of implementation, as well as the project's results. He found that team members were poorly trained, and that the people who were primarily involved in supporting the child and family weren't part of the effort.⁶

To escape the myth of beneficence, we need information about what we are doing and the impact it is having on the people we trying to help. Unfortunately, this is easier said than done. Peter Senge and his colleagues point out that “assessing the success of innovative practices is an inherently complex and ambiguous challenge in sustaining profound change – indeed, one of the most fundamental challenges.”⁷ They suggest several strategies for meeting this challenge:

6.1 Appreciate the time delays that are involved with profound change

“Don't judge the ultimate success or failure of your efforts based only on the early results...Managers always want to pull up the radishes to see how they're growing.”

6.2 Build partnership with executive leaders around assessing the assessment process

“Conventional measurements represent a ‘trap’ that can kill change and learning initiatives by requiring them to report their results in a way that hamstring future innovation.... At its heart this challenge calls for changing (or at least questioning) the way that traditional metrics are gathered, interpreted, and used.”)

6.3 *Learn to recognize and appreciate progress as it occurs*

(“One of the most important tasks for any leader of change is to help people feel that they are really making progress.” This can be done by establishing interim goals that can help people gauge progress along the way, keeping an eye out for, and celebrating unanticipated accomplishments, and keeping a record over time in the shifts in peoples’ views as they participate in the change effort.)

6.4 *Make assessment, and developing new abilities to assess, a priority among advocates of change*

(“Learning to assess the consequences of significant change initiatives is a complex new territory, often neglected by leaders of those initiatives.....The key shift is to bring measurement and assessment into the service of learners, rather than have it feared as a tool for outside evaluators.”)

Surmounting the myth of beneficence means attacking the question of whether what we’re doing is doing any good from both the perspectives of the process and the product. Thus, we must improve our ability to design our service planning and delivery process to make it easy for child and family teams to identify and correct problems as they occur, and to make the operations of our system infrastructure inherently measurable. That will begin to address the question of process at the practice program and system levels. At the same time, we have to reach agreement on what doing better looks like, especially for individuals whose needs are especially complex and enduring.

7. CREATING AN OPERATIONAL DASHBOARD

In Douglas Adams’ science fiction comedy/parody/satire, *The Restaurant at the End of the Universe*, a character named Zaphod Beeblebrox (the renegade president of the universe) steals a really nifty starship. He especially admires the dashboard because it is black, with black dials, black numerals and black indicators. The beauty of this sort of dashboard is that while you don’t know where you are going, or how fast you are getting there, you are traveling in utmost style. Operating a human service change initiative without a legitimate feedback system directly linked to our activities and their impact approaches Zaphod’s level of technological sophistication.

Chris Meyer and Rick Ross propose a less stylish, but potentially more useful solution: build a dashboard (with readable dials) right into your system as you are designing it.⁸ This is not collecting data for a distant evaluation that will occur long after the project is over, but a true feedback system bringing information back to the people who are implementing the new process, while they are implementing it. Meyer and Ross’ Operational Dashboard looks different for every change process because the people making the changes design it. They go through a collaborative process in which they first clearly identify the goals for their effort. Then they develop process measures for keeping track of whether they are actually doing

what they said they'd be doing in each of the primary functional areas of the enterprise. Then they add the results measures that count most for their key constituents (this is best done by asking the constituents directly). Finally, they add some soft (i.e. human-oriented) measures to make sure that the effort is really clicking with the people involved.

To make the dashboard work, Meyer and Ross suggest that graphic representations of the data output be developed and updated regularly. The display might be dials and needles, bar graphs, led indicators (as on an audio amplifier) or in any other form that quickly and directly indicates how the project is going. These can be done on paper, white boards, or with computer programs. The point is to let everyone see, on a regular basis, how things are going.

In wraparound at the child and family team level, we think that the prominent display of four gauges on the operational dashboard will help to subdue the myth of beneficence:

Process: are we doing what we said we were going to do, both in terms of using the steps in the wraparound process and in carrying out the actions we've been assigned through that process?

Impact: have the aspects of a child and family's life that are important to them improved?

Satisfaction: do the child, family and other team members participating in the process feel that it is working well?

Stewardship: are we making a reasonable and economical use of community resources in developing and implementing our plan?

At the program and system level, the same types of readouts are needed, but feedback to these indicators would come from a wider field, reflecting the wider scope of responsibility and attention.

8. A CAUTIOUS CLOSING

Competing collaboratives and beneficent myths are difficult gremlins to eradicate. In fact, they seem firmly attached to our basic human nature. Most of the time, the best we can hope for is an artful accommodation. But the more conscious we are of these inherently self-defeating tendencies and the more we agree to confront them openly, the better our chances of learning more successful strategies for reducing their impact and increasing our success.

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2. Vanier's suggestions are quoted by Henri Nouwen in his book *The Road to Daybreak: A Spiritual Journey*, New York: Doubleday, 1988, p. 179. L'Arche is dedicated to placing people with the greatest

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Women in advertising

Dr. Ruhi Bakhare

Abstract

Advertising is an inevitable part of modern consumerism. Advertising has the potential to influence far more than spending habits. With its highly stylized and idealized images, it also influences how people look and behave, and what they aspire to be. Hence the issue of role of women in advertisements. Advertising since its earliest days as has inadvertently propagated the commodification of women as sex objects or as passive doormats to the male ego. The various repercussions of such a negative portrayal, namely gender bias, distortion of the women's self image, and perpetuation of the thought that 'Women's bodies market everything', has left many women with a sense of failure, shame, and guilt leading to anorexia, mental distress and violence. Some studies have been done on this subject. This paper includes primary data collected through the survey conducted by us and the analysis of the same, gauging the perception people (the target audience) hold about portrayal of women in advertisements. Despite the media's images and messages discriminating against women, there is a cause for hope and praise. One of these is that advertisements are now beginning to feature women positively in their myriad roles in society, though there is a long way to go. To put the issue in right perspective, strategies for Gender Equity have to be developed which could include Media Literacy, discussions on Women and Media, the scope of Regulatory Mechanisms, accountability factor and the need for research on this issue. To Love or hate your body are two mistakes to avoid. Narcissism and self hate, money and suicide are of the same substance. Philippe Sollera, French writer (1936)

ADVERTISING - A BEGINNING

The urge to advertise seems to a part of Human nature, not only in recent past but also in ancient times. Of the 6000 year recorded human history, advertising as an idea is evidenced in the numerous inscriptions.

The clay tablet of about 3000 B.C. of Babylon bears the inscriptions for an ointment dealer, a shoemaker and a scribe. The ruins of Thebes, the ancient Egyptian city earthed the papyrus reward offer for the return of runaway slaves. The Greeks relied on criers and chanters accompanied by musicians to advertise the arrival of ships laden with wines, spices and metals. The Pompeii ruins contain signs in stone and painted wall signs advertising what the shops were selling.

Today worldwide advertising is a 150 billion dollar industry sustaining many families. The Indian advertising is a billion dollar industry today, and at a growth rate of 40-50% per annum, one of the fastest growing industries in the country

What is advertising?

David Ogilvy, considered the guru of advertising, when speaking about his passion advertising*, said; “I do not regard advertising as entertainment or an art form, but as a *medium of information*. When I write an advertisement I do not want you to tell me that you find it ‘*creative*’. I want you to find it so interesting that you buy the product.”

Simply stated advertising is any paid form of presentation and promotion of ideas, goods or services by an identified sponsor aimed at many people. But the process in which advertising transcends the simplicity of the definition and it is essential to understand how it works. Advertising is a **psychological appeal**, a visual or aural influence on our subconscious mind and emotions. It does this by implying that doing what is suggested (i.e. buying the product or service) will satisfy a subconscious desire.

Actually, a psychological appeal doesn't have to make sense. Like a nightmare, which seems sensible while we are dreaming and how little sense it makes when we awake. Because our dreaming mind assumes everything in the nightmare as real, and our body, which our mind controls, reacts accordingly. Even though advertising does not *control* but *influences* our reactions to a certain stimuli in the same way.

Another factor that gives advertising its keen is the most complex social structure we humans live in, one that permeates and influences every aspect of our lives. Our need to be part of a group, to stay alive, to live together, to have fun together is also a factor which advertising uses to influence our decisions.

Hence, it is safe to say that advertising sells products based on an image, an illusion, rather than the actual use it has. Although advertising is a fundamental part of a consumer-based society, it may not necessarily be a healthy one. With this understanding of the psychological and social implication of advertising, it is now safe to discuss the issue of use of women in advertising.

What is it about women?

Woman, this word carries a strong emotive feeling with it. The versatility endowed by the creator to women is exemplified by the many roles she dons in everyday life.

But more importantly in the light of the issue under discussion, a woman (female) has the capacity to take on the meaning endowed to her by the context. Place her in a kitchen and she dons the role of housewife, with some children and we have a mother, with a man and we have a lover, in skimpy clothes and we have a seductress. These relationships are readily identified even by the most uneducated of people without much effort.

A woman also identifies with extremities in her disposition and qualities; one with strong moral character, tenacious, clear headed and empathetic, an important decision maker at home, beautiful, sensuous, one with maternal impulses and one who bears forth life; it is

* Ogilvy on Advertising, David Ogilvy, Multimedia Publications 1983

these qualities that have been the most endearing part about a woman. Yet at the same time this is the reason why women are used and more often abused in many spheres of life, advertisements included.

Looking Through the Years - Women in Advertisements

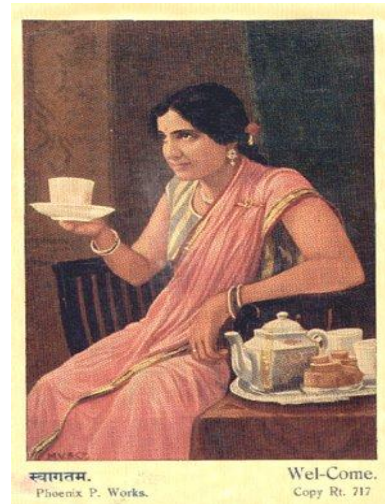
One of the earliest studies of women's portrayal in magazines was undertaken by Courtney and Lockeretz in United States of America (1971).

Though the progression of advertising and its associated effects in India did follow that of USA by a decade, the evolutionary stages have been the same. However there have been significant differences in the way the two cultures produced advertising messages and that differential cultural values were reflected in advertising expressions.

The U.S. advertisements utilized direct rhetorical styles, individualistic visual stances, sexual portrayals of women and comparative approaches more often than their Indian counterparts. The Indian ads utilized indirect rhetorical styles, collective visual stances and stereotypical portrayals of women more frequently than did the U.S. ads.



An advertisement of the Phoenix
Saree Company, 1960



An advertisement for a Tea Company, 1960

Hence, caution should be exercised when considering standardization in advertising and other forms of promotional communication between the two advertising cultures. Yet the study of the evolution of advertisements across divergent cultures will only help us appreciate the nuances involved.

Portrayal of women in the 1960s

- **Women as unemployed:** Most women were shown in non-working roles and often at home.
- **Women as low-income earners:** Most workingwomen were shown in secretarial, clerical, or blue-collar positions.
- **Non-working women in decorative roles and in idle situations:** Often, the presence of women was not substantially related to the product advertised
- **Women have limited purchasing power:** This reflects the observation that women were depicted as decision makers only for small-ticket items for the home.

The example to the side is a 1950s ad stating: **Henry Fonda helps girl win beauty crown"** selling Kissproof lipstick



Frequency of Roles portrayed by women in magazine ads in % (1959-71)*

Category	1959-1963	1964-1968	1969-1971
Woman as dependant on man	24	23	26
Woman as overachieving housewife	13	7	8
Woman as high living	9	9	8
Woman as physically beautiful	25	38	39
Woman as a sex object	44	34	33
Woman as sexy	10	17	20

* Source: M Venkatesan and Jean Losco; Journal of Advertising Research October 1974

Portrayal of Women in 1980s

- **A Woman's place is in the home:** Even though there were 29 million women in the labour force at that time.
- **Women do not make important decisions or do important things:** Women were shown as independent only when inexpensive items or simple decisions were involved.
- **Women are dependent and need men's protection:** Women were generally isolated from their sex within the ads.
- **Men regard women primarily as sexual objects: they are not interested in women as people:** Women were often found in decorative roles having little relationship to the product

Face-ism and Facial Expressions of Women in Ads

Archer, Kimes and Barrios coined the term "face-ism" to describe the tendency for photographs and drawings to emphasize faces of men and bodies of women. They analyzed magazine and newspaper photos and came up with the following result

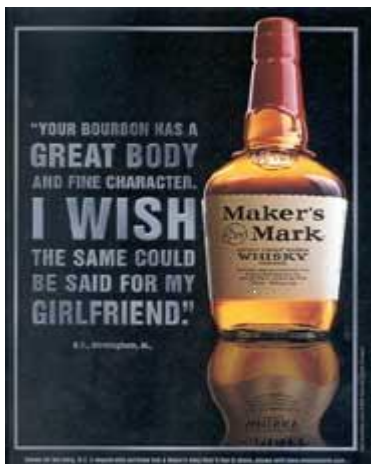
- 65% of a man's picture is typically devoted to his face, compared to 45% of a woman's.
- Women appeared with their mouths open 65% of the time compared to 55% of the men.
- It was observed that when women appeared with their mouths closed, they were still observed in stereotypical ways, for example with a sensual smile or pout. This was particularly evident in cosmetic ads.
- Dominant status was communicated through serious, grim expressions, whereas submissiveness was communicated through expressions of surprise or laughter.
- Men are often portrayed as serious and estranged, but women are portrayed as light-hearted and spontaneous.

Bodyism and Beer Commercials - A Study (1994)

This study by Hall took another look at 'bodyism' and 'facism' by analysing 40 beer commercials, with the following results:

- Recurring themes of men portrayed as engaged in physical labour, spending much of their time either outdoors or in a bar, and remaining confident, cool and detached in relationships with women.
- Women were most likely to be portrayed as admiring onlookers.
- Chest shots of both men and women were frequently observed, however there was a 49% chance that a commercial maintained at least one camera shot focusing on a woman's chest, but for men it was only 24%.
- The majority of the women featured appeared in either leisure wear or swimwear.

Images of Women to Sell Products - "Facism" and "Bodyism" in the media.



A girlfriend as good as an alcoholic drink...

What is it about selling alcohol that makes advertisers want to belittle and insult women...

does it really make men feel more powerful?

A woman's legs are a great way to get attention...if not sales



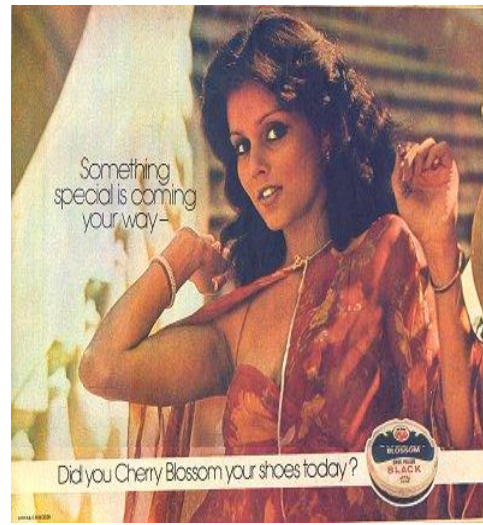
This is an ad for luggage, right? And the nearly naked, bronzed woman is there because...? When creativity fails, insert sex.



This ad attempts to demonstrate a woman's "place" in the world ...at a man's feet



The clichéd Indian woman whose decision making powers do not go beyond buying soap.



The Cherry Blossoms advertisement for a shoe polish, 1980



Driving the thought that only fair is beautiful

Refer to Appendix 3 for more exhibits

9. THE SOCIAL COST OF COMMERCIAL CULTURE

Perpetuation of Gender-Role Stereotypes

Advertising has the potential to influence far more than spending habits. With its highly stylized and idealized images, it also influences how people look and behave, and what they aspire to be. Advertising sends particularly strong messages about the differences between boys and girls, men and women.

Ads communicate gender roles in a variety of ways. In the late 1970s, anthropologist Erving Goffman illustrated how print advertisements communicate gender through body positioning, gaze, and gender-specific activities. Girls are shown as giggling, affectionate, fixated on their physical appearance.

Repeatedly, power and social status were conveyed in ads with men depicted as bigger and positioned at a higher elevation than women. Women were often shown not looking directly at men in ads, whereas men only averted their gaze to a male superior, such as a boss or executive. The only situations in which men were depicted as inferior or incompetent were in "women's related work"--such as making breakfast or doing the laundry.

Many commercials 'play on male expectations that a guy who is cool, aggressive and violent is attractive to women.' For these ads, the common theme is that insecure or unattractive men can "transform" and gain confidence after using the product advertised. These advertisements promise the attention of women immediately after purchase, or shortly thereafter. Here's an example:

- AC Whisky advertises (though through surrogate ads) that drinking its product will ensure wild thought and more so; one can expect women to do so in return.

Ads not only teach that men should strive to get the attention of attractive women; they also teach that men should not be subordinate to women or participate in women-related activities. Ads often depict men as leading, directing, or instructing women, while men were only shown being instructed by women in domestic situations. This image persists today, with the "dumb dad" character that has "no idea how to use a washing machine or an oven'.

Taught at a young age

Adolescents are particularly vulnerable because they are new and inexperienced consumers, in the process of learning their values and roles and developing their self-concepts. Most teenagers are sensitive to peer pressure and find it difficult to resist or even question the dominant cultural messages perpetuated and reinforced by the media. Mass communication has made possible a kind of national peer pressure that erodes private and individual values and standards.

In fact, boys learn these lessons about gender at ages younger than we might think, often by the age of four. In one study in which children viewed television clips, pre-school age kids could clearly describe different behaviors for boys and girls.

But what do they learn from the advertising messages?

Advertising creates a mythical, mostly fair coloured world in which people are rarely ugly, overweight, poor, struggling or disabled, either physically or mentally. In this world, people talk only about products.

Young people learn a great deal about sexual attitudes from the media and from advertising in particular. Advertising's approach reduces people to objects and de-emphasizes human contact and individuality.

Jean Kilbourne's classic work *Still Killing Us Softly: Images of Women in Advertising* is an engaging and even humorous analysis of how images and ads shape our values. Ads, Kilbourne points out, not only sell products, but sell ideas about romance, sex, success, beauty, and power. Ads, she says, "will have you believe that women in the real world are all white and under 40; that no one is disabled and everyone is heterosexual; that a woman's body is in constant need of improvement; that women need to look young, 'beautiful,' made-up, sprayed up, very thin, and perfectly groomed."

Thin is beautiful - Distorting Women's Self Image

Advertising gives women unrealistic notions of what we should look like. It tells us that they should be young, slim, curvaceous, and blemish-free, with shiny, bouncy hair. The socialization, so far, of Indian middle-class women, who are the main target of this advertisement, has always maintained that they are not worth anything.

The anxiety girls and women experience from feeling unattractive is arguably one of the most pervasive and damaging consequence of advertising. Only one body type is almost always presented in the media and in advertisements -- that of a very tall, thin woman -- a woman who would meet the criteria for anorexia as 15% below normal weight. In a survey conducted among women, 75 percent felt too heavy and only 15 percent felt just right[@]. Nearly half of those who were actually underweight reported feeling too fat and wanting to diet. Among a sample of college women, 40 percent felt overweight when only 12 percent actually were too heavy.

Many times, even these "beautiful" women are deemed not good enough for advertisements. Photographs are airbrushed or otherwise altered to remove any lines, bumps, or lumps - anything less than "perfection." If the idea of beauty is physically unattainable, then consumers will never be able to attain the image they want, and therefore there will be an endless demand for new beauty products. As a result, the millions of women and girls who are unable to reach this standard of beauty feel a sense of failure, shame, and guilt. This dissatisfaction with one's body is a major cause of eating disorders, which have increased through the years as women's ideal body weight as it is portrayed in the media, has decreased. Of the world population, 8-10% suffers from a serious eating disorder^{*}. The Harvard Eating

[@] Glamour magazine survey, 1984

^{*} Eating Disorders Recovery Online

Disorders Center reports that 80% of women wake up each morning feeling depressed about their appearance.

Representation of women in advertising - Primary evidence

Survey[⊗]

The idea behind this survey was to get to know the perception that people carry about the women in advertising. This survey was conducted across 150 people (70 percent of whom were women).

Secondary data collated through a survey in USA is listed in Appendix 2.

Response	Number	Percent*
College	70	47
Nagpur city	50	33
Nagpur (via email)	30	20

*Number of Women: 105 * Number of Men: 45

The above three areas were chosen for the following reasons:

- Students in the college have come from different places of the country. This provides a mix of mindsets, an ideal variety.
- Age of the student sample varied from **21 yrs to 29 yrs**.
- **Faculty and Administrative Staff** also responded to our survey.
- **Nagpur city** provides a good blend of high, middle and low class population. We conducted this survey in malls, railway stations, outside temples etc
- **Nagpur city** was chosen as it fits the bill of a B class city. Also easy access through relatives via email helped us in the survey.

[⊗] Refer Appendix 1 for format of the questionnaire

Data Analysis:

- 1. Things that makes an advertisement most memorable according to the respondent were:**

Table 1

Response	NUMBER	Percent
Slogan/Jingle	73	49
Emotion Evoked	36	24
Artistic Quality	21	14
Person/People in the Ad	20	13

One third of the respondents said they had made a purchase due to its advertisement. Two thirds said they had never bought an item based solely on its advertisement.

- 2. The most common portrayal of women in advertisements:**

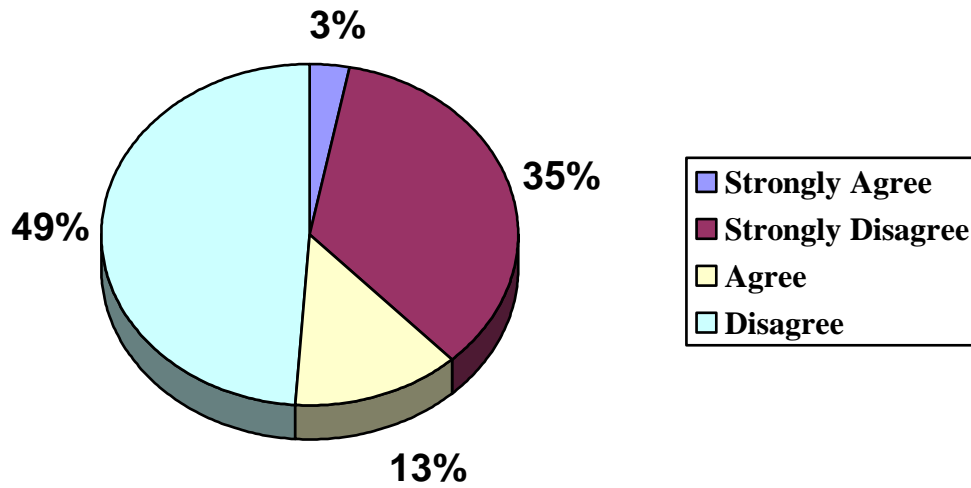
Table 2

Response	Number	Percent
Weak	15	10
Dominant	18	12
<i>Sexualized/glamorous</i>	39	26
Housewives/Mothers	48	32
Strong – Equal to Men	10	7
Unreasonably Thin	5	3.3
All the Above or It Varies by the Ad	10	6.6
Don't Know	5	3.3

3. **Opinion of the respondents on “the female models in most advertisements are accurate representations of a common woman or the women we know.”**

The following figure interprets the results:

Figure 1

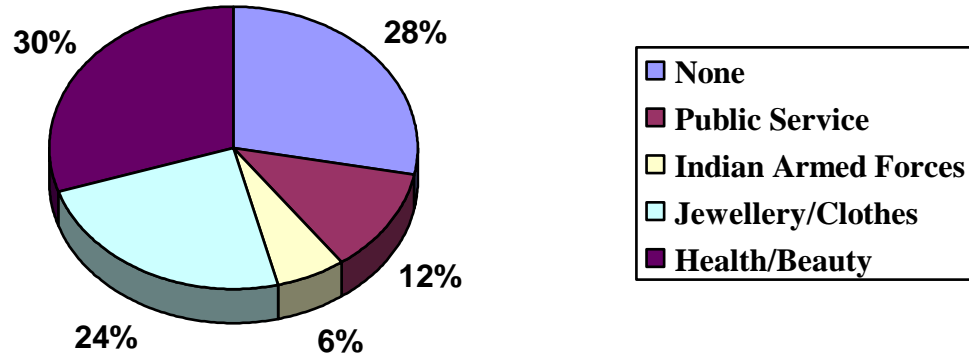


4. **Response for embarrassment while watching a commercial with parents:**

Figure 2



5. According to the respondents the type of advertisements that are inspiring to girls are:
Figure 3



Some Typical responses were:

- “Advertisements are just tools to sell products. I don't think that something like that can be inspiring to girls, unless they are the sort of girls who live to shop.”
- “No. Nearly all the adverts I can think of portray girls as nothing but clichéd teenagers.”

Highlights of the Survey:

- A high percentage of the respondents thought that the advertisement is not memorable because of the personality involved.
- One third of the respondents said they had made a product purchase due to its advertisement. Two thirds said they had never bought an item based solely on its advertisement.
- As we can see, **Housewives/Mothers** is the dominant perception of women in advertisements in India. This may not be the same for a similar survey conducted in the west. But even in the Indian case, respondents pointed out that sexualized/glamorous portrayal of women is high.
- The idea: “The female models in most advertisements are accurate representations of me or the women I know” in which over 80% of the respondents disagreed with the idea.
- A whopping 87 percent of the 150 respondents said they had been embarrassed watching a commercial.
- Almost 30 % disagreed that advertisements inspired girls. But Health/Beauty/Accessories Ads influenced women a lot.
- Finally we asked to select few practices which can be done to promote good advertising, a concept where women are portrayed not as commodities, but as brand ambassadors.

Most popular answers:

- Educate at a young age, targeting high school and college students
- Speak out against negative portrayals of women and girls in the media
- Don't support businesses that promote harmful products or attitudes
- Pressure companies to use more realistic models to sell their products
- Stop buying fashion magazines that portray women negatively

Advertising: positive images of women

The first advertisement David Ogilvy ever produced showed a naked woman. And as per him it was a mistake, not because it was sexy, but because it was irrelevant to the product- a cooking stove.

“The test is *relevance*. To show bosoms in a detergent advertisement would not sell the detergent, nor is there an excuse for the sexy girls we sometimes see draped across the hoods in automobile advertisement.”

Despite the sad stories about how media's images and messages continue to discriminate against women, there are also some causes for praise and celebration. One of these is that advertisements are now beginning to feature women positively in their myriad roles in society.

In the 42nd session of the Commission on the Status of Women, which happened in March 1998, to help draw participants to a forum on media and violence against women, Isis International-Manila, working with the United Nations Development Fund for Women (UNIFEM), gathered some of these positive print and broadcast advertisements from Canada, China, Japan, Philippines, and the United States and featured these in an exhibit called "Positives: Breakthroughs in Women's Images in Advertising."

The ones from **Japan**, which have won excellence awards in that country for their quality and for their being women-friendly, featured elderly women using make-up as part of their therapy, a father who stays at home to take care of the children, and a workers' cooperative in support of women.

The ones from **Canada** received the most reaction for its use of sophisticated humor in conveying the message that a woman's self-esteem is not about her body.

Apart from making it clear that the exhibit was not an endorsement of any of the products or lifestyles that were being peddled by the ads, Isis also explained that because social and political cultures vary from country to country, there was no universal standard for judging the ads.

How to control the menace

A. Media Literacy Strategies for Gender Equity

Detractors of media literacy, cry censorship. But it is not the general public who complain, but a handful of media corporations, who have something to sell us. At the introductory level of media literacy, the following three key concepts should be imbibed.

Advertising messages are an artificial construct.

It is essential to be taught how to deconstruct the images thrown on us and how to discern what is fiction and media unreality as the lines between fantasy and reality become blurred.

Media Messages are Representations

Media as an expression of popular culture reflects the implicit and explicit ideological messages about who is important, and what stories are told or not told, by those who hold the dominant views.

Media Messages have an Economic Purpose

The merchants of consumerism and advertisers spend billions of dollars to perpetrate a line of thinking for their economic growth at our cost

We also need to teach media literacy in all our schools and encourage students to become sensitive, as mentioned by some of the respondents in our survey (Page 22) This will empower us all with a lifetime of skills that can create authentic people and lasting relationships so that we could concentrate more on who we are instead of what other people want us to be.

Two strategic objectives in regard to women and media that are aimed at promoting women's empowerment and development:

- 1) Increase the participation and access of women to expression and decision-making in and through the media and new technologies of communication,
- 2) Promote a balanced and non-stereotyped portrayal of women in the media.

B. Sensitizing the Advertisers

Indeed, experience suggests that in most instances there is not any conscious intent by journalists to cover certain issues poorly. Advertisers also need to be trained about human rights and gender issues. But one suspects that they cannot use the excuse of ignorance, when it is actually their business to understand the meaning of images. In many instances advertisers fail to understand their actions in a broader social sphere.

C. Regulatory Mechanisms

- Ensure that all media regulatory mechanisms at the national and international levels are guided by values and principles such as gender justice, preservation of human rights, diversity of cultural expression, sexualities and lifestyles, and sustainable development.
- Codes of conduct and self-regulatory guidelines can be useful, particularly when they prompt debate on publicity and exercise a certain control on its production. However, for these mechanisms to be effective, we need an active and organized society, with sanctions and controls that are based on human rights.

In India, Viewers Forum has emphasized the need for implementation of the Code of Commercial Advertising on Doordarshan, the Code for Self-Regulation and Code for

Advertising Practice of the Advertising Standards Council of India and the Indecent Representation of Women (Prohibition) Act 1986.

While most official monitoring mechanisms are meant to address general media issues (such as unfair reporting, respect of privacy, decency, morality) and hardly pay attention to media's portrayal of women, there exists independent women's monitoring groups in countries such as Thailand, Fiji, Cambodia, China, Sri Lanka that look into media's treatment of women and children, especially as it relates to issues on violence against women.

Some of these women's groups are considered government partners in media monitoring as in the case of Cambodia where its Ministry of Information and the Women's Media Centre, an NGO, have launched a campaign against trivialization of women in media.

In India, the Bombay-based Women and Media Group has initiated action against trivializing women's image in the media. These initiatives have resulted in changes in legislation, withdrawal of offensive advertisements and discontinuation of television serials, among others.

D. Make media accountable

Roy Pakpahan, a journalist and researcher, pointed out a lack of real understanding about the influence of media images of violence, leading to a lack of concern and resulting in the fact that media is not held accountable. He cited the bill addressing violence against women, produced by the Minister on Women's Affairs, which quite rightly focuses on domestic violence but which completely fails to take into account media's role in influencing gender biased violence.

Mediawatch groups have been very successful in highlighting the strengths of citizen action by supporting consumer complaints and in getting some adverts withdrawn. But are there more proactive strategies that can be adopted by activists and consumers for challenging sexist advertising? It is insufficient to have certain advertisements withdrawn as usually only the most blatant adverts are singled out for action while others are allowed to pass. Also the process is reactive and often the extra publicity only serves to further line the advertisers' pockets.

Organized boycotts of products can be effective. It is also important for activists who want to challenge sexist advertising to join with others who oppose other aspects of advertising, such as alcohol and tobacco advertising or the commercialization of the schools. There is strength in numbers.

E. Research

Encourage research organisations, education and media organisations, NGOs, and the state to conduct research on women and advertisements in the following areas:

- professional standards
- portrayal of women
- media access indicators
- reception and impact of women, children and youth audiences

Conclusion

The most pressing needs are therefore to change the basic assumptions about advertising and to reinvent and reformulate advertising in line with a democracy and a constitution which

enshrines basic human rights. The range and diversity of women has to be represented if there is to be participation not only of women in the marketplace but as active social citizens.

Real change can only be brought about by challenging the power of advertising and the long held assumption that, as long as it makes money it cannot be regulated.

On the whole, feminists have managed to make the invisible visible. In our country there are more and more women graduating from universities and many women have gone into the publicity field as creative directors, producers, account managers and as owners of agencies. These women can help in sensitizing the advertisement agencies to the issue of role of women in advertising

A society based on equality and mutual respect would finally eliminate the second class status women have held for thousands of years and yet propagated by the media, and specifically advertising in this case. Advertising should no longer suffocate and distort women's sense of self-worth.

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BOOK REVIEW SECTION

ORGANISATIONAL BEHAVIOUR-A MODERN APPROACH

Publisher: Vikas Publishing House Pvt. LTD.

Author: Arun Kumar & N Meenakshi

ISBN: 978-81-259-3093-8

No. of Pages: 562

The book is written for the knowledge economy. It prescribes novel methods to manage employees of the knowledge economy, where they use their minds more than their hands.

In other words what the people do in an organization and how that behaviour affects the performance of the organization is 'organizational behaviour'. And because organizational behaviour is specifically concerned with employment related environments, one should not be surprised to find that it emphasizes behaviour as related to jobs, works, absenteeism, employment turnover, productivity, human performance and management.

This new edition of introductory textbook on behavior within organizations, offers a detailed evaluation of individual, group and organisational perspectives. It opens with an analysis of the historical background of business psychology, examining the roots of contemporary thoughts and practices. There is a broad coverage and well-informed evaluation of different theoretical approaches and throughout practical examples and vivid illustrations from the business world accompany the discussion, showing how the ideas and theories work in application. A diverse range of issues are covered, including: Cross-cultural issues, diversity, ethics, personality and psychological testing, emotional intelligence, Innovation, new forms of organization, team building, organizational citizenship, leadership, communication, teambuilding and organisational citizenship, Intuition in decision-making, training and development.

This book peeps into the human mind and acknowledges that humans continue to have the same passions and fear that they had even during the Stone Age. It prescribes how organisations can tap into the passions and fear of their employees to make them more creative and productive.

It also prescribes a democratic and inclusive management style, where employees decide the fate and future of the company through genuine democratic processes.

Salient features of the book includes-

- Novel orientation-is written for the knowledge economy as against the traditional approach, which is for the industrial economy.
- Incorporates the latest research and developments that have taken place in the last ten years in the field of organizational behaviour,as against the conventional approach based on anachronistic theories and notions.
- Comprehensive contents- includes a total of 261 distinct topics.
- Corresponding cases for each topic.
- Summary for every distinct topic.
- Thinks anew- includes topics such as Women in workplace, The CEO, Self-management, Career Management and Managing and Enhancing performance.

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