

Business Administration

CHAPTER 1

Work Culture and office Employees

Introduction

Office means a place of work. The place work is carried out is called as office. We know the importance of work.

‘Work is worship’ is an accepted concept. As per George R Terry, information is the best equipment/instrument and office is such a place where information is collected and work related to that information is carried out. Mental work is done in the office. Office is concerned with work and not with place or person. A Direction and administration of any business concern cannot succeed without office. People working in office should maintain ‘Work Culture’ .Psychology of the people working in the office should be conducive to the work culture. For that we need to understand guiding principles of work culture. In this unit recruitment, selection criteria and merits will also be studied.

Subject Description

1 Work Culture and Office Employees

Society is a group of persons but this is not the case in development of the society, because each individual is different in many respects. Nature, aims motivation of each individual are different. Different types of persons are working in an office.

Following are such types:

- People having umpteen/enough free time i office(leisure Ethics)
- People working as per qualities, price and ethics possessed by them (worth Ethics)
- People who believes in work is worship(work ethics)
- **Leisure culture type of employees**

This type of employees are those type who work for very less time and are moving around here and there. They are passengers, who attend the office and sign in muster and take lunch and tea break sincerely. These employees are not having any aims and objectives in the work. Some of them are incompetent and some are lazy. They never understand seriousness of small mistakes in the work. They take it very lightly. They are habituated with incomplete work. Their seniors know their disqualifies and therefore important and valuable work is not given to

them. The employees are satisfied with their laziness in the work.

These types of employees are never considered for promotions and their seniors assume them useless in the work. The employee remain stagnant for the same post from years to years at lesser salary. Sometime even they are demoted.

- **Work Culture**

The employees who work according to their qualification, qualities and price paid to them fall in this group.

These type of employees are those who think over their qualities, importance and price, which is require d to be applied for carrying out that work and the decide. These types of employees are of such types who work as per rules and pay received by them. Many times they are at the work place, but their minds are not in their work. They are working as per watch. Act like performer. They never apply their brain in work as per procedure. They always link the salary received by them to the work to be performed. Every time they give importance not to the work but the benefit which they get from the work. These people are not lazy but “more salary more good work’ is their concept, they do not have any spirit of sacrifice. They are of that type who creates problems for their own benefit.

- **Work is worship**

There are some people who treat work as worship. The number of such people working is reducing, but still some such people are there, they are achiever, they are ‘workaholic’

They have some aims in the work; they channelize all efforts in the directions of aims and objectives to be achieved in life.

After fulfilling their basic family requirements, they never follow for more money. These types of people have tendency to sacrifice help to others. Love and affection for others and in the work. They perform their work calmly and quietly without making any shoe. They always concentrate in their work, they give importance to duty than emotions, and they enjoy the work. Their seniors have confidence and faith in them. Their image at work place and in society is always good. ‘Work is worship’ is a secret rule of their work culture.

2 Features of work culture

Office staff should observe some limitation to maintain work culture. To develop work culture following points should be considered.

- When any employees work consciously and honestly the he gets love and

respect .The money earned by dishonest

Work will never give you love and respect which is very important and you cannot measure that satisfaction in terms of money.

- Important enemy of work culture is laziness. If you avoid this and work as per schedule and complete it as soon as you get it, then time schedule can be followed.
- Each employee should continuously work and should satisfy their seniors. When he puts all his intelligence and efforts in their work, then that work proves to be best. He should not see the rewards, money consideration in work only but should do the work in best possible way. Whereby automatically he will get rewards.
- Many employees always avoid work in service; thereby they themselves get cheated with management. They have to lie for their loopholes, deficiencies. None can keep faith in them and such type of employees never develops but they get demotions.
- Those employees who accept work against their liking, interest are never succeeding and their organisation suffers loss. Each employee should select the work as per his liking and interest. Seniors should also allot the work to employees as per their interest and liking, and proper person for proper work should be selected.
- Every employee should be alert and prompt and attentive in his work. To work accurately and carefully is most important because even small mistake in the work leads to heavy losses. Efficiency of employees can increase by accuracy and attentiveness in the work than speed of work. Each employee should try to increase his efficiency by adopting working techniques and methods. Everyone should see that mistakes made by him should not be resulted into penalty/punishment for others.
- Completing of work in best possible way should be aim of every employee. Every time regards from senior for completing the work should not be expected. Even if seniors are not appreciating the work then the tendency to do the work sincerely should be maintain. Each good or bad event should be taken for personal development.
- Every employee should develop his conscience. To take decisions with conscious or rational mind, each event or incidence should be taken for personal development.
- Each employee must have curiosity eagerness. He should try to learn new

knowledge. You should work as per time. Time never waits for any one. Each second minute is very valuable so to use it more fruitfully and capitalise an opportunity available.

- Employee should be honest in accepting the mistake if committed by him. To succeed, in future first step is to accept mistake, try to develop and avoid repetition of mistake.
- Newly joined/ recruited employees is expecting fast returns and he expects good type of work and good position in the office at earliest. But he must have patience and should accept the work even though it is inferior or small in nature. He should work honestly with great qualities which lead him to senior post; he should do the work in best possible way whereby doors of development and progress are kept open for him.

Psychology of the employee adjusted by considering the above point to maintain work culture, thereby work can be carried out more efficiently, accurately.

Office work culture and changing nature of office work.

Office is taken as office services from work culture point of view. Following five guiding principles are useful for understanding work culture.

- Office services must be prompt.
- Office services must be correct and accurate.
- Office services should be with smiling face.
- Office services should provide customer satisfaction.
- Office services should bring reputation to the organisation.
- Recruitment of employees.
- Sources of recruitment.
- **Office services must be prompt:** For prompt services office must be modern and technology advanced. New invention in science and technology has helped a lot in office work, because computerisation facilities fast and speedy accurate work.
- **Office work must be correct and accurate:** In modern age accuracy in the office will get more importance. Nature of routine office work will be replaced by

computerisation .Computers will be commanding position in the office.

- **Office services should be with smiling face:** In today's age customer is king and hence customer satisfaction is most important things and success of any office depends on importance and services given to customers.
- **Office services should satisfy customer:** Office is important link between customer and entrepreneur or is link between society and industry. Customers have different needs and their needs are satisfied through office. Customer enters with expectations and goes out with satisfaction, when he is satisfied, which is expressed on the face. What customer expects and what type of services information he expect must be studied carefully and accordingly efforts should be made for giving services and that will be main function of the office.
- **Office services should bring reputation to the organisation:** Today which bank is good from customer's point of view the bank which provides prompt alert and good services is good. Which hospital is good where patients get good treatment? The hotel the reputation and goodwill of the organisation depends on services quality of services provided to the customer. Customers canvas themselves for such organisation and automatically reputation goes up.
- **Recruitment of employees:** Recruitment is a very broad term/concept. The function of attracting competent qualified and suitable person in the organisation is called recruitment. Edwin B. Flippo defined recruitment as below "The process of searching for prospective employees and stimulating them to apply for jobs in the organisation" . While recruiting person, right person must be selected for right job. The success of any organisation is on recruitment of right person.
- **Sources of Recruitment:** Every organisation required different types of people having different qualifications; skills .More employees are required in the growth of the organisation. These required employees can be recruited by way of internal sources and external sources.

Sources of recruitment of employees.

A

Internal Sources

1 Present Permanent employees

2 Present Temporary/Casual Employees

B

External sources

1 Ex- Employees

2 Friends and Relatives of Employees

3 Retired or retrenched employees

4 Any person depending on present

5 Employees recruited on humanitarian

Ground

6 Middlemen/professional Recruitment

7 Recruitment through Advertisement.

8 Ex-servicemen/workers union

9 Recruitment of factory gate

3 Candidates who have Applied for job

4 Educational and technical institution

Employees or sick, handicap or retired

Employees

5 Middlemen /professional recruitment

Agency.

- **Internal sources of recruitment.**

Following are some sources of internal employees.

- Present permanent employee many vacancies are created in the business and the best way to fill this post is by promoting the present employees. When any vacancies is there for senior /middle level, then assistant of such senior/middle level is appointment for that and promotion of that person create promotion other person and chain of promotions created.
- Present temporary and casual employees: Many times some post are of temporary in nature and the work of person on leave is given to them. Such temporary employees are recruited for the new vacancy and priority is given to them.
- Retired or terminated employee: Sometimes business organisation has to retrench its employee in difficulty or confrontation between union and company cases termination. If any vacancy is to be filled then such employees are considered on priority.
- Sick, retired or handicapped employees relatives on whom these employees are dependent: This sources of recruitment is used to give psychological support to employees. The relatives who take responsibility of such sick retired or

handicapped employees are given service opportunity.

- Appointment on sympathetic consideration: If any casualty happens to any employee while in service death takes place then that family should not suffer and as such her spouse son or daughter is appointed in that place.

B. External sources of recruitment.

- **Ex- employees:** The employees who are retired or terminated can be called as ex- employees. It is not fair to recruit those employees who are terminated but retired or voluntarily resigned employees can be recruited after verifying their record.
- **Employees friends and relatives:** Employees are informed about vacancies to be filled in the organisation and they are asked to recommend their friends and relatives for such post. Employees feel love and affection of the organisation by this way.
- Candidates applying for the post in the office: When any vacancy is created in the office then advertisement is given for that in response to that and those who are unemployed apply in the office directly.
- **Educational and technical institution:** Office administrative and managerial employees are also recruited with the help of educational and technical institution. While appointing medium and senior level employee's manager's competency technical knowledge training skill is considered.
- **Recruitment through employment exchange:** Employment exchange carries out important work of recruitment. They give information about jobs vacancies existed to the candidates. Employment exchange also provides a list of suitable candidates to the business organisation.
- **Middleman/ Agency and professional recruitment agencies:**

Some private firms work as a recruitment agent or manpower consultancy and provide skilled and unskilled manpower. Business organisation takes assistance of such firm. They are being given all authority to make appointment on behalf of organisation.

- **Direct recruitment or recruitment through advertisement:** There is separate recruitment department in this method. The officer of the department takes review of number of persons to be appointment their required qualification qualities and accordingly advertisement is given and applications are called for and then interview tests are being conducted and best one is selected.
- **Ex-serviceman:** Retired officers from defence department engineers doctors and technicians who worked in defence and as per agreement of service their period of service are over are experienced and prompt to face any type of challenge.
- **Trade unions:** Sometime agreement is made with trade union and candidates recommended by trade union are selected for vacant post. This is a good method because relation between management and employees remains cordial and healthy.
- **Recruitment at the entrance/gate of the factory:** Generally those organisations where staff requirement is depending on seasons and for short period more number of people are required then only this method of recruitment is adopted.

Modern method of recruitment.

- **Walk-in:** In this method advertisement is made calling potential suitable candidates is made calling potential suitable candidates directly for interview at specific time venue is given where candidates are being called with their bio-data and certificate for interview and selection is made from such candidates.
- **Consulted in source of selection:** Those organisations which are very busy and dynamic encourage those candidates who are capable and dynamic but are not expressing and are not interested in job are consulted and selected.
- **Recruitment through professional institution:** Much senior level recruitment is made through professional organisation request is made to them and they select the right person.
- **Recruitment through computer:** Internet E-Mail etc. And important devices through which advertisement is made all over the world and application is called through E-Mail internet and then data is collected and candidate is selected.

Chapter no2

Management of business services:

Types of services:

Professional services

Introduction: Professional services such as accountancy, medicine, and law, advertising consultancy make up a substantial proportion of the services economy. These services are extremely intangible, high-contact and people based services with high degree of expertise. Marketing can play a key role in making business more effective through identifying clients' needs and wants and matching the organisation's offering to those needs.

There are several reasons why professional service organisations should go in for marketing. It enables the service providers

- To understand clients needs in a better way.
 - To develop and operate the most appropriate service offering to meet those needs.
 - To communicate the offerings to the clients and attract interest.
 - To become more business and marketing oriented in the highly dynamic competitive environment.
 - To enhance service quality, thus ensuring clients satisfaction and goodwill and safeguarding and building organisations reputation.
6. To create the potential growth.

NEED FOR MARKETING IN PROFESSIONAL SERVICE

Due to some special characteristics of professional services, the service providers need to implement the marketing.

- The services are performed on a one-to-one basis i.e. client-professional basis. This leads to high levels of variance in service quality. It can also allow for greater customization, tailoring the service to the client's needs.
- The service is highly intangible and difficult for the client to understand and assess, in terms of quality and value. As such services are often costly; the degree of risk to the customer is also high. Effective management of marketing mix variables can help

to reduce uncertainty and enhance customer confidence. Informative communication programmes can enable potential customers to make better informed choices about service providers, leading to greater satisfaction levels in the long run.

- Professional organisations need to inform the market about their offerings simply to communicate their availability to the public who may not be well informed.
- The 'people' element in the service provision is a critical factor; such services are dependent wholly on the skills and competence of individual professionals, so there needs to be a clear focus on people through internal m se individual professionals practicing within it. Marketing, staff development and customer care programmes.

SERVICE PRODUCT

In the professional services the main products are technical services, legal services, medical services, organisational services, and advertising services.

The service offering needs to be looked at carefully to ensure that it meets customer needs as closely as possible. The range of services offered may require updating in response to new development in the market. The providers or clients may be individual or an institution or an organisation. Customer orientation is supported to be an integral part of product development strategies.

Pricing

In professional services the price charged by the consultants is the fee or the consultancy fee. Pricing or fee setting should be regarded as a strategic element of the overall marketing programmes rather than a task costing expertise. Many professional fees are charged hourly rates and other alternative include fixed fees for a standard jobs and tendering or quotations schemes for contract. The competitive situations should also be considered in relation to pricing with regard to possible provider substitution. It is essential that before deciding the strategies, the professionals make decisions regarding the pricing objectives. It may be profit generating objectives, market share objectives and market stability objectives.

PLACE OR DISTRIBUTION

Location decisions are important in professional services marketing as many clients use convenience as a key factor in provider selection. The customers can walk in and make appointment for consultancy.

Location may be less important for highly complex or specialists services where the service provider may actually visit the client to perform the service in any case, then marketing accessibility and availability more important than physical location.

For example accounting audits, building surveying are done at the clients premises. Professional services have no channels. Usually they directly deal with the clients.

STORE KEEPING

Store-Keeping: Meaning, Types, Objectives Functions and Working of the Stores!

Meaning:

After the completion of purchase procedure, the next important aspect Of materials management is storekeeping.

A storehouse is a building provided for preserving materials, stores and finished goods. The in-charge of store is called storekeeper or stores manager. The organisation of the stores department depends upon the size and layout of the factory, nature of the materials stored and frequency of purchases and issue of materials.

According to Alford and Beatty “storekeeping is that aspect of material control concerned with the physical storage of goods.” In other words, storekeeping relates to art of preserving raw materials, work-in-progress and finished goods in the stores.

Types:

Stores may be centralised or decentralised. Centralised storage means a single store for the whole organisation, whereas decentralised storage means independent small stores attached to various departments. Centralised storekeeping ensures better layout and control of stores, economical use of storage space, lesser staff, saving in storage costs and appointment of

experts for handling storage problems. It further ensures continuous stock checking.

It suffers from certain drawbacks also. It leads to higher cost of materials handling, delay in issue of materials to respective departments, exposure of materials to risks of fire and accident losses are practical difficulties in managing big stores.

On the other hand, decentralised stores involve lesser costs and time in moving bulky materials to distant departments and are helpful in avoiding overcrowding in central store. However, it too suffers from certain drawbacks viz., uniformity in storage policy of goods cannot be achieved under decentralised storekeeping, more staff is needed and experts may not be appointed.

Objectives of storekeeping:

Following are the main objectives of an efficient system of storekeeping:

1. To ensure uninterrupted supply of materials and stores without delay to various production and service departments of the organisation.
2. To prevent overstocking and understocking of materials,
3. To protect materials from pilferage, theft fire and other risks.
4. To minimise the storage costs.
5. To ensure proper and continuous control over materials.
6. To ensure most effective utilisation of available storage space and workers engaged in the process of storekeeping.

Functions of Storekeeping:

In the light of above objects, the functions performed by the stores department are outlined below:

1. Issuing purchase requisitions to Purchase Department as and when necessity for materials in stores arises.

2. Receiving purchased materials from the purchase department and to confirm their quality and quantity with the purchase order.
3. Storing and preserving materials at proper and convenient places so that items could be easily located.
4. Storing the materials in such a manner so as to minimise the occurrence of risks and to prevent losses due to defective storage handling.
5. Issuing materials to various departments against material requisition slips duly authorized by the respective departmental heads.
6. Undertaking a proper system of inventory control, taking up physical inventory of all stores at periodical intervals and also to maintain proper records of inventory.
7. Providing full information about the availability of materials and goods etc., whenever so necessary by maintaining proper stores records with the help of bin cards and stores ledger etc.

Working of the stores:

There are four sections in the process of storekeeping viz.

- (a) Receiving section,
- (b) Storage section,
- (c) Accounting section, and
- (d) Issue section.

These are explained as under:

(a) Receiving Section:

There are four kinds of inventories received by stores viz., (i) raw materials, (ii) stores and supplies, (iii) tools and equipments, (iv) work-in- progress or semi-finished goods.

Following procedure is followed in receiving these inventories:

- (i) Receiving these incoming materials in stores.
- (ii) Checking and inspection of these incoming materials and stores etc.
- (iii) Recording the incoming materials in goods received book.
- (iv) Preparing and forwarding goods inwards note to purchasing section.
- (v) Informing the purchase department about damaged and defective goods and surplus or deficit supplies etc. along with rejection forms and notes.
- (vi) Returning damaged or defective goods to the suppliers in accordance with the instructions of the purchase department.
- (vii) Forwarding the materials to respective stores and locations where these are to be stored or preserved.

(b) Storage Section:

The store room should be located at a convenient and appropriate place. It should have ample facilities to store the materials properly viz. bins, racks and shelves etc. There can be a single store room in case of a small organisation, but a large scale concern can have different or multiple stock rooms in addition to general or main store.

The separate stockrooms may be used for different classes of inventories. The material should be stored in such a manner as to protect it against the risks of damage, destruction and any kind of loss. Each article should have identifying marks viz., stamping, embossing, colour, coding and painting etc. These risks are very useful in locating or identifying an article in the stores.

(c) Accounting Section:

This section is concerned with keeping proper records with regard to receipt and issue of materials. The primary task of this section is to undertake the process of inventory control.

(d) Issue Section:

The materials should be issued to respective departments on receiving duly authorised

requisition slips. An entry should be made immediately on the bin card attached with the bin from where the material has been issued.

Bin cards contain valuable information with regard to receipt and issue of materials, which is greatly helpful in exercising a system of inventory control. These cards are further helpful in determining various levels of materials viz., maximum, minimum, and re-ordering level.

CONSULTANCY SERVICE

The consultancy services, an expert of the related field or discipline or group of experts identify and investigate the problems and on the basis of their expertise, they make available suitable suggestions and further also help in the implementation of these recommendations. As for example, person or persons having outstanding excellence of the concerned areas like legal experts, medical experts, financial experts, technical experts or so make available specialised services to a person or persons in the shape of knowledge and information. They make an in-depth study of their problems and offer to them appropriate suggestions to combat the problems.

NEED OF CONSULTANCY SERVICE

An important question in the field of consultancy marketing is raised regarding the rational of consultancy marketing. There are a number of reasons entailed behind as mentioned below:

- **Growing significance of specialised knowledge and skill:** In the present day world, specialisation has gained an outstanding significance. This is due to the fact that the extent of competition is mounting like anything. The invention and innovations, growing technological sophistication and our continued efforts for initiating qualitative improvements are some of the important factors making consultancy an immediate solution which can't be deferred. It is not possible for an organisation to employ experts or specialists in all the areas. But it is essential for them to utilize their views for making managerial decisions. This makes it essential that an organisation seeks the experts' opinion instead of employing them. This makes possible cost effectiveness in their business decisions and paves ways for maintaining operational economy, accelerating productivity and generating profits.
- **Limited expertise of specialists:** An organisation, in a few cases, needs to exercise the maximum possible pressure as the problems appear to be complicated and can't be solved in a normal way. It is also possible that specialists engaged are busy or the services of other specialists are expected to be more productive. With this notion of utilising the sophisticated services, an organisation prefers to utilise the consultancy services.

- **To obtain impartial view:** The justification for obtaining consultancy services is also due to the fact that an impartial outside agency is supposed to be the best friend of an organisation. This necessitates that an organisation attempts to seek impartial views of specialists. It is but natural that employees serving the organisation are biased or liberal and so neutral views are found doubtful. They fail in revealing the actual position which may be dangerous to an organisation. This also raises the significance of consultancy services.
- **To justify the pre-determined measures:** The significance of consultancy services is also for justifying the pre-determined measures. It is judicious that decisions once taken are justified. Here, the managers need the services of experts or specialists so that their reports or views confirm their previous decisions. This also justifies or supports the rationality of consultancy services.
- **To make the consultancy services productive:** The consultancy marketing has become significant to make the services productive and profitable. An individual or an institution invests a lot on enriching expertise or developing professionalism. An organisation utilises the services of consultants for generating profits. This makes it essential that an individual consultant or a consultancy organisation adopts marketing practices for making the consultancy services productive and profitable.

THE USERS OF CONSULTANCY SERVICES

To make the consultancy services productive and profitable, it is significant that consultants or the providers have an indepth idea of different categories of users. This simplifies the task of transforming the potential clients into actual clients and thus makes possible an expansion in the range and size of market. Users may be an individual or an institution depending on the nature of services offered. They are expected to raise the efficacy of their clients so that the fulfillment of their own objectives is made possible. An individual or an institution seeking legal advice, technical or managerial suggestions or medical prescriptions seeks the support of consultants.

Users

An institutional
Institutional
Organisational

An individual
Personal

MAIN PRODUCT IN THE CONSULTANCY SERVICES

In the consultancy services, the main products are the expertise of an individual or an institution. The consultants make available the services to both the categories of users, i.e., individual and institutional. In the group of industrial users, the services are made available to an industrial organisation. The consultants, in a true sense, are supposed to be the business planners as the business development strategies are designed against the background of experts' opinion.

Product

Legal advice
Technical advice
Financial advice
Organisational advice
Managerial advice
Medical advice

Main product in the Consultancy services

ENTERTAINMENT SERVICES: -

The emerging trends in the preferences, likes and dislikes, lifestyles are fantastically influenced by the positive trends in the discretionary income. The liberalisation of economy makes the ways for the internationalisation of fashion, culture and civilisation. The sophistication in the development of communication technologies paves avenues for the development of entertainment facilities. The opening of new air-conditioned picture palaces, open air-theatres, disco and pub, drama centres, music centres, new TV channels fascinate masses to entertain and enjoy.

ENTERTAINMENT MARKETING- A CONCEPTUAL FRAMEWORK

By entertainment marketing, our focus is on the application of marketing principles in the entertainment services. This gravitates our attention on the formulation of marketing mix for the services which help the entertainment organizing in improving the quality of services for satisfying and benefiting the users. It is a managerial process of making the services productive so that the organisations succeed in accomplishing the organisational goals. The marketing processes make the ways for profit-generation since the optimal inputs make the services cost-effective by making possible operational economy. It is a planned effort to organize the business which requires world class professional excellence. We find entertainment marketing a productive approach to fulfill the changing expectations of users. It is an intelligent effort to study and understand the changing behavioural profile of users based on the segmentation results. The making of creative marketing decisions is an important functional responsibility before the professionals which requires a well-developed and technology-driven information system. Thus we observe the following facts regarding entertainment marketing:

- Entertainment marketing is a managerial process.
- It is also a social process since the entertainment organisations are supposed to subserve the social interests by inculcating mass awareness.
- It is an organised effort to manage the business.
- It is a device to help marketing professionals in developing quality marketing inputs which make possible quality marketing outputs.
- It is a process of customer-satisfaction engineering.

REASONS BEHIND ENTERTAINMENT MARKETING

If we diagnose the rationale behind the application of marketing principles in the entertainment services, there are a number of points to justify the same.

The following points are found in favour:

- **Satisfaction to users:** The application of marketing principles in the entertainment services helps in satisfying the users because the entertainment organisations offer the services to cater to the changing needs and requirements and increasing level of expectations of the users. By segmenting the market, the organisations get an opportunity to identify the preferences and to formulate the entertainment mix befitting to the changing taste of the users. This helps professionals in winning and keeping the users for the long time.
- **Generations of profits:** The application of marketing principles is found justified since the entertainment organisations succeed in marketing profits. The marketing practices help in increasing the business in addition to the cost effectiveness which makes the ways for generating profits. An optimal development of marketing inputs makes the services productive.
- **Subserving the social interests:** We can't deny that marketing professionals also make possible sub serving of social advertising related to population control, drug addiction, afforestation, environment pollution, anti-smoking, AIDS, nutritional awareness are to mention a few helping society in many ways.
- **Making possible cost effectiveness:** It is also right to mention that application of marketing principles makes possible cost-effectiveness which regulates wastes of marketing resources playing a decisive role in rationalizing the pricing policy.

The formulation of marketing mix:

In the entertainment services, the products are entertainment programmes made available to the viewers.

The different categories of organisations are picture palaces, open-air theatres, TV Channels, Disco Halls, Pubs, Drama Centres, Dance Centres, Circus Companies, Theatres Companies and amusement centres offering different items to entertain the users who are supposed to come to the centres. Some of the organisations are managed under the public sector whereas a large number of organisations are managed under private sector. All the entertainment organisations are supposed to offer healthy entertainment items which on the one hand refresh the viewers while on the other hand also educate.

Movies-Cinema Halls
Comedy, Sex
Violence, Social, national

TV channels
Education,
Information
Comedy
Sex, Violence

Circus Companies
Art, Comedy
Theatre companies
Open-air, traditional
Music, Song, Sex, art

Drama Companies
Music, art, Sex

Disco and Pubs
Noise generating
Music Sex

Entertainment
Organisations
Product
Mix

Product Mix of the Entertainment Organisation

The product mix is required to be a fair combination of ancient and modern culture.

The promotion mix:

The entertainment organisations are also required to engineer a sound base for the generation of profits which makes a strong advocacy in favour of effective promotional measures. They need quality entertainment programmes to satisfy the users and this requires the formulation of a sound service mix.

ADVERTISEMENT: As a paid form of persuasive communication, the advertisement helps entertainment organisation in increasing the mass awareness. Almost all categories of the entertainment organisations need to advertise with effectiveness in adverting messages and themes is felt essential which draws our attention on creativity.

PUBLICITY: We find publicity the most effective component of promotion since the entertainment organisations find it convenient to develop rapport with the media people. If they succeed in developing rapport and the media people are found influenced with the quality of entertainment programmes, an eye-catching coverage as a news item would promote their business even without making a substantial investment. The marketing professionals need to organize lunch, dinner parties of get-together functions in which the media people, opinion leaders and the popular artists are to be invited. If they succeed in impressing upon the media, the publicity would be possible which would help the entertainment organisations considerably in promoting the business.

SALES PROMOTION: The entertainment organisations also need to think about the sales promotion measures to promote the business. A temporary incentive to the sales personnel as well as to the users of services helps in boosting the sale. It is in this context that we make an advocacy for innovative tools of sales promotions, such as concessional services, offering of gifts, organisation of fair and exhibition by the entertainment organisations, specially for the sales people.

PERSONAL SELLING :This component of the promotion mix very much instrumental in promoting the entertainment organisations. The task of creating the impulse may be successfully carried on with the help and cooperation of sales personnel. The tact, ability and skill of sales personnel play here an incremental role. This makes it essential that the entertainment organisations are careful while recruiting, training, and compensating the sales people.

WORD-OF-MOUTH: If the quality of your goods or services is of world class; if your service profile succeeds in satisfying the users; your task of promoting the business is simplified fantastically. It is against this background that we talk about the instrumentality of word-of-mouth promotion. The audience satisfied with the quality of entertainment programmes communicates their positive or negative feelings to their friends and relatives. If they are satisfied with your services, they advocate in your favour and such a positive remark helps in promoting the business.

Chapter 3

HUMAN RESOURCE MANAGEMENT

Qualities of HRM

An HR manager must possess certain qualities and skills to channel the talent, latent potential and capabilities of employees. The department function like the key engine room of an organization so an HR manager roles and responsibility assume great significance". "A human resource manager is a vital member of an organizations HR department.

Personal Qualities

- Dedication, Discipline, Honest and sincere, humanitarian values.
- Enthusiastic, Altruism, Commitment, Determination.
- Self-esteem, Self-confidence, Aggressive thinking.
- Positive attitude, Self-awareness.

Social Qualities

- Adaptability/flexibility (Openness to change), Active Listening, Effective communication, Leadership.
- Dress Etiquette, Building up rapport.

Professional Qualities

- Crisis management, Negotiation skills / (create win- win situation), Grievance handling / counselling.
- Competency, Transparency / Confidentiality, Supervisory skills.
- Emotional Maturity, Strategic thinking, Motivator.
- Authority, Values / Ethics,
- Entrepreneurship, Business awareness, Awareness.
- Net working, Etiquette at work.

The Recruitment Process

LEARNING OBJECTIVES

- Discuss the need for forecasting human resource needs and techniques for forecasting.

- Be able to explain the steps to an effective recruitment strategy.
- Be able to develop a job analysis and job description.

The recruitment process is an important part of human resource management (HRM). It isn't done without proper strategic planning. Recruitment is defined as a process that provides the organization with a pool of qualified job candidates from which to choose. Before companies recruit, they must implement proper staffing plans and forecasting to determine how many people they will need. The basis of the forecast will be the annual budget of the organization and the short- to long-term plans of the organization.

Explain the principles of promotion

A sound promotion policy should be based on the following principles:

(1) Uniformity—A promotion policy must provide for a uniform distribution of promotional opportunities throughout the organisation. The ratio of internal promotions to external recruitment must be the same at various levels in all the departments otherwise morale of employees will be seriously impaired in the department notorious for its low rate of promotions.

(2) Consistency — A promotion policy should enjoy consistency i.e., it should be applied irrespective of the persons concerned. Policy should be correlated to career planning so that there should not be a sudden spurt of promotion conferring premature benefits on a number of persons followed by a long period of absence of promotion.

(3) Fair and Impartial — Promotion policy should be fair and impartial i.e., management should be able to remove all suspicion of arbitrariness, adhocism to suit particular individuals, nepotism etc.

(4) Planned Activity — Promotion should be a planned activity i.e., management should make a correct assessment of the requirements or opportunities of promotion within the organisation so that there is no underestimation or overestimation. For this, promotion charts may be prepared.

(5) Definite Basis—There should a definite criterion for promotion. In the absence of a contract to the contrary, the employer has the right to establish any criteria for evaluation of promo ability if they are reasonable, pertinent to the job and not applied in a discriminatory manner. The two criterion often used for making promotion decisions are merit and seniority.

(6) Sanction — All promotions should be finally sanctioned by the concerned line heads. The personnel department may only propose the names of potential candidates and send their history records to the department making the requisition to fill vacancies. In this way, the staff position of the personnel department does not intrude upon the authority of the department served. In addition subordinates are impressed favourably by their line superior's concern for their progress.

(7) Follow up — A sound promotion policy should provide for a suitable system of follow

up, counselling and review. Say, month or two after the change, the personnel department should hold a brief interview with the promoted employee and his new superior to determine whether all is going on well. All promotions should be made for a trial period so that if the promoted employee is not found capable of handling the job he can be reverted to his former post and his former pay.

Employee Training

Employee training is essential for an organization's success. Despite the importance of training, a trainer can encounter resistance from both employees and managers. Both groups may claim that training is taking them away from their work. However, a trainer can combat this by demonstrating that training is actually a *crucial* part of employees' and managers' work.

Why Employee Training Is Important

Training is crucial because it:

- Educates workers about the effective use of technology,
- Ensures competitive edge in the market,
- Promotes safety and health among employees,
- Creates opportunities for career development and personal growth, an important factor in retaining workers
- Helps employers comply with laws and regulations, *and*
- Improves productivity and profitability.

Promotion

Promotion means appointment of the employee on senior grade. with increase in remuneration ,additional authority and responsibility . This helps in bringing change in the status and work grade. Increase in remuneration does not mean promotion.

According to Scott & Springle "Promotion means making transfer of an employee to such post which gives him more salary and status than before,"

Transfer:

Transfer means making change in employees work, position/designation work place or department. There is no change in the rights, responsibilities and remuneration due to transfer. Many times after the appointment of the employees it becomes important to make change for the sake of transfer. Generally employee's job place is changed.

Training:

Training is the special knowledge .given to the employees to carry out special functions

properly .They need for training is mainly for the following reasons.

- To increase the employees efficiency.
- To reduce the number of accidents
- To make supervision convenient
- To increase the morale of the employee
- To increase the speed of work
- To stabilise the office routine work
- To avoid wastage of office stationary
- To increase the awareness of responsibility among the worker s
- For handling machinery carefully
- To create systematic order in the office functioning.

Separation:

The main types of separations include layoffs, discharges, termination, through death or retirement resignations and leaves of absence.

Layoff:

Layoff is a temporary separation of a worker from work .It is of indefinite duration The Company usually makes no promise as to the time of a call back.

Discharge:

Discharge is a permanent separation of a worker from work .It is the termination of his employment and may be either the result of some disciplinary action or retrenchment of surplus.

Resignations or Quits:

Unlike a layoff or a discharge a resignation or a quit is a voluntary separation.

Retirement:

For those who reach it retirement is a significant milestone ,but it also require one of life's greatest adjustment

Absenteeism:

Absenteeism as the failure of a worker to report for the duty when he is scheduled to work.

Basis for promotion.:

Office management decides on what basis the employee should be given promotion .The first basis for promotion is to take into consideration employees service period ,his experience and seniority .The second basic is to consider the employees ability and efficiency .Every organisation has to fix its policies regarding promotion clearly .While deciding the promotion policies employees seniority and merit are given preferences .These two methods / basic have some advantages and disadvantages .

Recruitment.

In simple terms recruitment is understood as the process of searching for and obtaining application for jobs, from among whom the right people can be selected. Theoretically, recruitment process is said to end with the receipt of applications, in practice the activity extends to the screening of applications so as to eliminate those who are not qualified for the job.

Purposes and Importance

The general purpose of recruitment is to provide a pool of potentially qualified job candidates .

1 Determine the present and future requirements of the firm in conjunction with its personnel planning and job analysis activities.

2 Increase the pool of job candidates at minimum cost.

3 Help increase the success rate of the selection process by reducing the number of under qualified or overqualified job application.

4 Help reduce probability that job applicants, once recruited and selected, will leave the organisation only after a short period of time.

5 Meet the organisations legal and social obligations regarding the composition of its workforce.

6 Begin indentifying and preparing potential job application.

7 Increase organisational and individual effectiveness in the short term and long term.

8 Evaluate the effectiveness of various recruiting techniques and sources

The Benefits of Employee Training

to improved profitability and /or more positive attitude towards profit orientation.

- 2 Improves the job knowledge and skills at all levels of the organisation.
- 3 Improve the moral of the workforce. 1 Leads
- 4 Helps people identify with organisational goal.
- 5 Helps create a better corporate image.
- 6 Fosters authenticity openness and trust.
- 7 Improves relationships between boss and subordinate.
- 8 Aids in organisational development.
- 9 Learns from trainee.
- 10 Helps prepare guidelines.
- 11 Aids in understanding and carrying out organisational polices.
- 12 provide information for future needs in all areas of the organisation.
- 13 Organisation gets more effective decision making and problem solving skill.
- 14 Aids in developing for promotion from within.
- 15 Aids in developing leadership skill motivation loyalty better attitude.
- 16 Aids in increasing productivity and quality of work.

Selection of employee

Recruitment and selection are complimentary to each other. Main object of recruitment is search of potential candidates and to encourage potential candidates to apply and then to select the best candidates out of all candidates considering their qualifications, skill, competency and appoint the best candidate for the post that means where recruitment process ends, selection process starts and ultimate aim is the appointment of right and efficient employee.

Steps in scientific selection procedure.

- **Job analysis:** Job analysis is considered as qualification for selection of right candidate. The best method of working or carrying out job can be decided by doing job analysis. Job analysis gives the qualities, qualification requiring for completing the job.
- **Human resource plan:** The objects of manpower planning is getting and availing good manpower and getting job done from them, developing manpower and optimum utilisation of manpower. Hence manpower planning is done considering future needs.

- **Recruitment:** Recruitment is a process of identifying correct people and inducing them to apply for the post.
- **Receiving the application forms:** The important step in selection procedure is careful study of the application. Many applicants apply for the job in response to advertisement or by other ways. Applications are accepted within certain time limit and thereafter applications are scrutinised and applications not fulfilling terms and condition and basic qualification are rejected.
- **Written examination/test:** Before selecting any candidate, written examination his intelligent knowledge of language thinking power logical thinking general knowledge mathematics etc. is tested.
- **Primary interview:** Some organisation call the disqualified candidates for primary interview. Wherein they are rejected. Primary interviews are also conducted for giving information and knowledge of business organisation and policy and objects of that business organisation.
- **Observation and test of the candidate:** In today's modern age many tests are conducted to judge the candidate wherein psychological test or observation of candidate is one important method of selection. Psychological test is an important and reliable instrument to test the person's transaction behaviour capacity and tendency.
- **Final interview:** To conduct an interview of a candidate is one important step in selection procedure. To take an interview means efforts for checking of candidates suitability's qualities and to understand what candidate wants to say about his job, organisation and himself and to give him an opportunity to talk freely and openly.
- **Medical examination:** Once the candidate is selected then before issuing appointment letter it is necessary to take his medical examination .In this medical examination candidates weight height eye-ear power etc. are tested.
- **Final selection of candidate:** Selection procedure results are selection of a candidate and end result should be appointment of right person for specific post.
- **Sending an appointment letter:** Appointment letter is sent to the selected candidate in that letter date and time of joining is conveyed to him and all terms and conditions of appointment are mention.
- **Induction and training:** Induction programme is conducted to give knowledge of an organisation management other colleagues work procedure and rules and to create a good feeling and faith and confidence in him for his work capacity.

Objectives of public relation

Public relation has entered into all the fields and has become one o the most important

activities. It is inevitable and undertaken in almost in all the big organisation.

The public relation can be used to achieve the following.

- 1 Creating awareness in the masses about the organisations various activities.
- 2 Providing information about the services available to the society.
- 3 Providing economical support to the nation state and the organisation.
- 4 Giving emphasis on the national research and development activities.
- 5 Protection of the human well being.

Features of public relations

- 1 Public relation means coming in contact with people.
- 2 The organisation provides information to the society through public relation. The aim is to create favourable attitude of the society towards the organisation.
- 3 Integration may be created due to good public relation between the organisation and the society.
- 4 Public relation is a continuous and deliberate process.
- 5 The public relation implies that it provides the information to the society and acquires its support.

Duties of public relation officer.

While studying the organisational structure of public relations work we have gone through various divisions of the public relations department. These divisions perform various public relation activities. Sometimes all these functions of the department are performed by the P.R.O. if business of the organisation is small.

- 1 Contacts with newspapers. Information about day today important activities is given by the newspapers to the society. The newspapers deliver information to the society in a right way and at right time regarding the work performed by the organisation development in the organisation. Services and facilities made available by the organisation. Production of the organisation and the information about the organisation itself.
- 2 Works regarding publications. An organisation has to prepare various types of publications such as pamphlets and prospectus. Good public relation can be built through these publications.

There are two types of publications

- 1 To be used in house
- 2 To be sent outside.

Some news and articles published by the organisation are the internal developments, the developments of the employees in different fields the visits paid to organisation various cultural activities of the employee's sports and so on. This helps the organisation to achieve its objective and maintain cordial relations with the employees.

3 Audio and video films.

Audio and video films play an important role in the present era. With the help of these modern instruments information about products of the organisation has to be communicated properly to the customers and the investors In this regard PRO performs the following

1 To plan production of audio and video films.

2 To produce films

3 Arrange to review these films at various places for the customers and the shareholders.

4 Contacts with radio and television .

Today radio and television play very important role for publicity and contacts. The media can reach innumerable people at the same time. Even illiterate people can use the media. Therefore it becomes necessary to have contacts with radio and television. In this context the PRO has to perform the following.

- To establish and maintain cordial relation with authorities of the radio and T.V.
- To broadcast the programme on T.V. and radio giving information about the organisation its products. To broadcast the interviews of important officers of the organisation.

5 Advertisements.

Advertising has gained much importance in this era. It is difficult to increase sales without advertising. In some organisation P.R.O. perform the following.

- To choose the media for advertisement to suit the fund available nature of the product and the customer.
- To advertisement the product at right time.
- To see to the effectiveness of the advertisement.

6) Information.

People from different sections of the society seek information about goods, objectives production and work performance of the organisation. In this regard P.R.O. has to perform following work.

- To reply to the queries of the various sections of the society.
- To arrange meeting of various constituents of the society at various places to provide them information.
- To send useful information to schools colleges and cultural association.

7) Visits.

P.R.O. has to arrange visits of shareholders, customers, authorities of different areas. He has to perform following works.

- a) To welcome the guests.
- b) To arrange their visits to all the sections of the organisation.
- c) To arrange for their travel refreshment and lodging.

8) Participation in social work.

It is the need of the era that the organisation should participate in social work and help society during natural calamities like earthquakes floods famines and so on.

The organisation that helps the society during the calamities creates good impression on the society. It is the responsibility of the P.R.O. to perform this work properly.

9) Research

P.R.O. has to examine what are the effects of public relations practice on various social constituents and to find out what changes have occurred in public opinion about the organisation. He performs the following functions.

- a) To prepare appropriate questionnaires.
- b) To get questionnaires filled by appropriate persons.
- c) To compile the information collected.
- d) Analysis of information.
- e) Results of analysis to be sent to managers.

10) Training of employees in organisation.

It is P.R.O.'s job to maintain good image of organisation not only to the outside world but also among its employees. In some organisations P.R.O. also performs the work such as providing information to the employees and arranging their training in order to establish good public relation.

11) Assistance to various heads of department.

P.R.O. has good relation with people from different sections of the society. In many organisation P.R.O. helps various departments for getting benefits to these departments.

CHAPTER 4 E- COMMERCE

Introduction:

Electronic commerce, commonly known as **E-commerce** or **eCommerce**, is trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as [mobile commerce](#), [electronic funds transfer](#), [supply chain management](#), [Internet marketing](#), [online transaction processing](#), [electronic data interchange](#) (EDI), [inventory management systems](#), and automated [data collection](#) systems. Modern electronic commerce typically uses the [World Wide Web](#) for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

Given below are 10 unique features of ecommerce technology

- **Breaks geographical barrier:** Unlike traditional retail business, ecommerce is not bounded by geographical barriers. Today an e commerce company can easily sell its products to consumers residing in any part of the country.
- **Saves precious time:** Ecommerce helps in saving the most important thing in today's modern world: 'Time'. Consumers from the comfort of their home, office and even café can buy any product they wish to buy. Thanks to e commerce, consumers save lot of precious time that is otherwise wasted if they opt for traditional shopping.
- **Accurate information:** Today e commerce companies across the world are doling out product information's that are accurate & to the point, which eventually helps consumers to make better buying decision. These information's are free from all the inaccuracy & hidden facts that are very much used by traditional retail models as their selling strategy. Besides, e commerce companies also provide accurate information to customers about billing payment & shipping.
- **Ubiquity:** Ubiquity means state of being everywhere at once. With unprecedented growth in the sales of tablets & smart phones, laptops and other internet related gadgets, e commerce companies literally follow their consumers wherever they go. E commerce shopping can be done even when consumer is walking or jogging.

- **Impersonal interaction:** Since e commerce technology completely depends on internet & web to reach to its customers, the interaction with consumers will always be impersonal in nature; as in it is not face-to-face interaction.
- **Customers are truly king in the e commerce world:** Today every month literally hundreds of e commerce companies are popping up in every corner of the world. This intense among E commerce companies is only befitting customers, who today have more choices to choose from and discount vouchers to avail – for instance Littlewoods Voucher Codes.
- **Power of accessibility:** Since today e commerce is so easily accessible by the virtue of power of internet, consumers can buy anything & everything as and when they desire for. In fact a mere impulsive desire or slight craving for a product can lead to expensive shopping, this is all thanks to accessibility to shopping that is possible only via e commerce technology.
- **Cuts supply chain:** E commerce technology has immensely helped in cutting the cumbersome supply chain of wholesale & retail and also overreliance on sales force team. This only helps in reducing the cost of the product, which eventually benefits the customer.
- **Ever changing nature of business:** Since today technology is changing at lightening speed by every passing day, the nature of e commerce business will also change along with it. Who knows technology development in coming years will make e commerce more customer friendly, or there can be other fundamental changes to the e commerce business too.
- **Technology can equally be barrier:** Technology has helped e commerce companies to break geographical & other barriers. However overreliance on technology & complete absence of face to face interaction has created immense trust barrier between e commerce companies and customers. This is especially true in the case of conservative country like India where even today people don't completely trust e commerce companies, especially when it comes to on line payment.

TYPES OF ECOMMERCE

On Premise E-commerce

On-premise E-commerce software usually requires initial one time purchase investment in terms of licensing fees. Also, it implies extra costs related to hardware and installation services as well as data migration and on-going maintenance fees that are usually charged on a yearly basis for software updates and support. Some examples of typical on premise E-commerce platforms are [Hybris \(company\)](#), [Intershop Communications](#), [Sana Commerce](#), [Oorjit](#) and [IBM WebSphere](#).¹

Advantages:

- Easily customizable;
- Data security;
- High performance;

Disadvantages:

- Large initial investment;
- Self-maintenance;
- Technical knowledge

Software as a service (SaaS) E-commerce

Software as a Service (SaaS)- is a cloud based delivery model in which applications are hosted and managed in a service provider's datacenter, paid for on a subscription basis and accessed via a browser over an internet connection. Two examples of typical SaaS E-commerce solutions are [Shopify](#) and [Demandware](#).

Advantages:

- Affordable low-cost solution.
- Hosted/upgraded by E-commerce provider.
- Easily scalable.

Disadvantages:

- Limited integration with back-end systems.
- Lack of data security.
- Limited control over the system.

Open source E-commerce

Open source e-Commerce is a free of charge platform that doesn't imply licenses fee. Furthermore, open source users are also responsible for installing, maintaining, securing and configuring the software on their own servers. In order to set up an open source platform, basic technical expertise is required in the areas of web design and development. Software products that are distributed as open source are generally free, and users can access and modify the source code. Three examples of typical open source E-commerce platforms are

PrestaShop and [osCommerce](#), [Magento](#) and [Thelia](#).

Advantages:

- Free of charge system;
- Wide variety of available addons/plugins/extensions;
- Better flexibility with a customizable source code;

Disadvantages:

- More technical knowledge required;
- Performance depends on hosting costs
- No standard integration with back-end system;

MODELS

E-COMMERCE MODELS

E-Commerce Models :Creating an e-commerce solution mainly involves creating and deploying an e-commerce site. The first step in the development of an e-commerce site is to identify the e-commerce model.

Depending on the parties involved in the transaction, e-commerce can be classified into 4 models.

These are:

- Business – to – Business (B2B) model
- Business – to – Consumer (B2C) model
- Consumer – to- Consumer (C2C) model
- Consumer – to – Business (C2B) model

Let us look at each of them in detail.

Business-to-Business (B2B) Model: The B2B model involves electronic transactions for ordering, purchasing, as well as other administrative tasks between houses. It includes trading goods, such as business subscriptions, professional services, manufacturing, and wholesale dealings. Sometimes in the B2B model, business may exist between virtual companies, neither of which may have any physical existence.

In such cases, business is conducted only through the Internet.

Let us look at the same example of www.amazon.com. As you know, www.amazon.com is an online bookstore that sells books from various publishers including Wrox, O'Reilly, Premier Press, and so on. In this case, the publishers have the option of either developing their own site or

displaying their books on the Amazon site (www.amazon.com), or both. The publishers mainly choose to display their books on www.amazon.com as it gives them a larger audience. Now, to do this, the publishers need to transact with Amazon, involving business houses on both the ends, is the B2B model.

Consider a hypothetical example. ABC company sells automobile parts and XYZ company assembles these part and then sells the automobile to customers. XYZ company comes across the Web site of ABC and finds it suitable. XYZ therefore, requests for more information about ABC and finally, decides to purchase automobile parts automobile from ABC. To do this, XYZ places an order on the Web site of ABC. After ABC receives the order details, it validates the information. As soon as the order is confirmed, the payment procedures are settled. Finally, ABC sends an acknowledgement of payment to XYZ and delivers the goods as per the shipment details decided between the two organizations.

Business-to-Consumer (B2C) Model: The B2C model involves transactions between

business organizations and consumers. It applies to any business organization that sells its products or services to consumers over the Internet. These sites display product information in an online catalog and store it in a database. The B2C model also includes services online banking, travel services, and health information.

Consider a hypothetical example in which a transaction is conducted between a business organization and a consumer. A business house, LMN Department Store, displays and sells a range of products on their Web site, www.lmn.com. The details information of all their products is contained in the huge catalogs maintained by LMN Department Stores. Now, a consumer, William Ward, wants to buy a gift for his wife. He therefore, logs on to the site of LMN Department Stores and selects a gift from the catalog. He also gets the detailed information about the gift such as, the price, availability, discounts, and so on from their catalog. Finally, when he decides to buy the gift, he places an order for the gift on their Web site. To place an order, he needs to specify his personal and credit card information on www.lmn.com. This information is then validated by LMN Department Store and stored in their database. On verification of the information the order is processed.

Consumer-to-Consumer (C2C) Model: The C2C model involves transaction between consumers. Here, a consumer sells directly to another consumer. eBay and www.bazee.com are common examples of online auction Web sites that provide a consumer to advertise and sell their products online to another consumer.

However, it is essential that both the seller and the buyer must register with the auction site. While the seller needs to pay a fixed fee to the online auction house to sell their products, the buyer can bid without paying any fee. The site brings the buyer and seller together to conduct deals.

Let us now look at the previous figure with respect to eBay. When a customer plans to sell his products to other customers on the Web site of eBay, he first needs to interact with an eBay site, which in this case acts as a facilitator of the overall transaction. Then, the seller can host his product on www.ebay.com, which in turn charges him for this. Any buyer can now browse the site of eBay to search for the product he interested in. If the buyer comes across such a product, he places an order for the same on the Web site of eBay. eBay now

purchase the product from the seller and then, sells it to the buyer. In this way, though the transaction is between two customers, an organization acts as an interface between the two organizations.

Consumer-to-Business (C2B) Model: The C2B model involves a transaction that is conducted between a consumer and a business organization. It is similar to the B2C model, however, the difference is that in this case the consumer is the seller and the business organization is the buyer. In this kind of a transaction, the consumers decide the price of a particular product rather than the supplier. This category includes individuals who sell products and services to organizations. For example, www.monster.com is a Web site on which a consumer can post his bio-data for the services he can offer. Any business organization that is interested in deploying the services of the consumer can contact him and then employ him, if suitable.

Let us look at another example of the C2B model.

William Ward needs to buy an airline ticket for his journey from New York to New Jersey. William needs to travel immediately. Therefore, he searches a Web site for a ticket. The Web site offers bidding facility to people who want to buy tickets immediately. On the Web site, William quotes the highest price and gets the ticket.

In addition to the models discussed so far, five new models are being worked on that involves transactions between the government and other entities, such as consumer, business organizations, and other governments. All these transactions that involve government as one entity are called e-governance. The various models in the e-governance scenario are:

- **Government-to-Government (G2G) model:** This model involves transactions between 2 governments. For example, if the American government wants to buy oil from the Arabian government, the transaction involved are categorized in the G2G model.
- **Government-to-Consumer (G2C) model:** In this model, the government transacts with an individual consumer. For example, a government can enforce laws pertaining to tax payments on individual consumers over the Internet by using the G2C model.

- **Consumer-to-Government (C2G) model:** In this model, an individual consumer interacts with the government. For example, a consumer can pay his income tax or house tax online. The transactions involved in this case are C2G transactions.
- **Government-to-Business (G2B) model:** This model involves transactions between a government and business organizations. For example, the government plans to build a fly over. For this, the government requests for tenders from various contractors. Government can do this over the Internet by using the G2B model.
- **Business-to-Government (B2G) model:** In this model, the business houses transact with the government over the Internet. For example, similar to an individual consumer, business houses can also pay their taxes on the Internet.

BENEFITS OF ECOMMERCE

E Commerce is one of the most important facets of the Internet to have emerged in the recent times. Ecommerce or electronic commerce involves carrying out business over the Internet with the assistance of computers, which are linked to each other forming a network. To be specific ecommerce would be buying and selling of goods and services and transfer of funds through digital communications.

The benefits of Ecommerce:

- Ecommerce allows people to carry out businesses without the barriers of time or distance. One can log on to the Internet at any point of time, be it day or night and purchase or sell anything one desires at a single click of the mouse.
- The direct cost-of-sale for an order taken from a web site is lower than through traditional means (retail, paper based), as there is no human interaction during the on-line electronic purchase order process. Also, electronic selling virtually eliminates processing errors, as well as being faster and more convenient for the visitor.
- Ecommerce is ideal for niche products. Customers for such products are usually few. But in the vast market place i.e. the Internet, even niche products could generate viable volumes.
- Another important benefit of Ecommerce is that it is the cheapest means of doing

business.

- The day-to-day pressures of the marketplace have played their part in reducing the opportunities for companies to invest in improving their competitive position. A mature market, increased competitions have all reduced the amount of money available to invest. If the selling price cannot be increased and the manufactured cost cannot be decreased then the difference can be in the way the business is carried out. Ecommerce has provided the solution by decimating the costs, which are incurred.
- From the buyer's perspective also ecommerce offers a lot of tangible advantages.
 - Reduction in buyer's sorting out time.
 - Better buyer decisions
 - Less time is spent in resolving invoice and order discrepancies.
 - Increased opportunities for buying alternative products.
- The strategic benefit of making a business 'ecommerce enabled', is that it helps reduce the delivery time, labour cost and the cost incurred in the following areas:
 - Document preparation
 - Error detection and correction
 - Reconciliation
 - Mail preparation
 - Telephone calling
 - Credit card machines
 - Data entry
 - Overtime
 - Supervision expenses
 -

PAPER BASED BUSINESS VS EDI

In the paper-based method, the following process typically occurs:

- The inventory system automatically notifies the buyer to place an order, or, after querying the inventory system, the buyer determines that an order needs to be created.
- The buyer enters data onto the screen of a purchasing system to create the PO, prints and mails it.
- After several days, the vendor receives the PO and manually enters it into the sales order system.
- The vendor prints an invoice and encloses it with the shipment and/or sends it separately by mail.
- The buyer manually enters the invoice into the Accounts Payable system.

The exchange of paper documents can add a week to the process. If there are errors caused by manual data entry, the time can be greatly increased.

Now compare that with the EDI process:

- The buyer's procurement system, which utilizes EDI software, automatically generates and sends an EDI-formatted PO when inventory reaches the critical level.
- Within minutes the vendor's sales order system, utilizing EDI software, receives the EDI PO, notifies the shipping department to ship the goods and generates an EDI invoice to be transmitted directly to the buyer's accounts payable system.
- The EDI process can be completed within hours.

APPLICATIONS OF EDI

1) Order integration

Creating, sending and follow-up of supply orders generated by the purchasing departments involves dedicating important technical and human resources to processing the orders to suppliers in the right time and format.

For suppliers, the interpretation and typifying of these orders in the internal management

system entails a large amount of work to be done by the commercial and administration departments of the vendor companies.

In any case, we are talking about critical operations both for buyers and suppliers, since at the end of the day they all depend on the provision of an efficient and high quality service to end customers of both parties.

2) dispatch advice integration

The dispatch advice, as a document accompanying the goods in transit to the customer, is a key business transaction to verify that the goods actually received correspond to the purchase order specifications.

The ability to perform these checks prior to issuing the invoice lets you make adjustments if there are any differences with respect to the initial purchase order, ensuring that your final payment or billing documents are correct, whether you are sending or receiving the goods.

3) Integrating invoices

Automating the billing process is a strategic element that can achieve savings of up to 90% compared to managing these documents manually.

The volume of payable invoices often handled by accounting departments calls for measures to optimize the operations associated with revision, validation, registration and payment to the supplier. These are key tasks for any purchasing department, since management efficiency depends on them.

Likewise, invoice issuers have to devote costly resources to critical aspects of the commercial process such as checking deliveries and periodic billing for clients, as well as the manual tasks of printing, enveloping, stamping and sending. Other tasks also require regular follow-up to check receipt of the invoice on arrival and its status in the Accounts Payable Department.

Integration of electronic invoices lets you automate almost all of these steps, providing great competitive advantages for senders and receivers that translate as better management efficiency ratios, and consequently in significant cost savings.

4) E air waybills

A global platform that deploys EDI technology (Electronic Data Interchange) for electronic issuance of all documents involved in the exchange of information in air freight cargo operations. The EDICOM e-Air Waybill solution is certified by the IATA as a valid international platform to connect with airlines, forwarding agents and customs at any airport adapted to the new electronic system.

ADVANTAGES OF EDI

- EDI provides cost savings by reducing paper and eliminating paper processing.
- Time savings and eliminating repetition are other benefits from the reduction in paper processing.
- Documents can be transferred more quickly and processing errors can be decreased allowing business to be done more efficiently.
- More efficient processing will likely lead to improved customer service which will ultimately expand the customer base.

Disadvantages of EDI

- Contrasted to XML, which is not strictly standardized, many consider EDI to have too many standards.
- There are various standards bodies who have developed 'standard document formats' for EDI which can cause problems with cross compatibility.
- These standards bodies also push standards revisions annually which could cause problems if you have a more recent version of a document than a business partner.
- EDI systems are extremely expensive making it difficult for small businesses to implement.
- Many large organizations will only work with others who utilize EDI. This may limit the business small companies are able to do with such organizations and limit trading partners.

Introduction

The ease of purchasing and selling products over the Internet has helped the growth of electronic commerce and electronic payments services are a convenient and efficient way to do financial transactions. Current e-payment technologies depend on using traditional methods that are common to non-electronic systems. Due to the nature of Internet, security and authenticity of payments and participants cannot be guaranteed with technologies that are not specifically designed for electronic commerce. We need an e-payment system that would not only provide secure payments but should also have properties like online customer and merchant authentication, unforgettable proof of transaction authorisation by the customer both to the merchant and the bank, privacy of customer and transaction data. This chapter provides an overview of e-payment architecture and their functionalities, their requirements and verification of payment protocols. More thorough survey can be found in

Generic E-Payment System

1. Entities

Electronic payments involve a payer and a payee. A payer (buyer or customer), is an entity who makes a payment. A payee (seller or merchant), is an entity who receives a payment. The main purpose of an electronic payment protocols is to transfer monetary value from the payer to the payee. The process also involves a financial institution (bank or mint).

Typically, financial institution participates in payment protocols in two roles: as an issuer (interacting with the payer) and as an acquirer (interacting with the payee). The issuer is responsible for validating the payer during account registrations and holds the payer's account and assets. The acquirer holds the payee's account and assets. The payee deposits the payments received during a transaction with the acquirer. The acquirer and the issuer then proceed to perform an inter-banking transaction for clearance of funds. It is possible for the issuer and the acquirer to be from the same financial institution.

Other parties that may be present in a payment protocol include a Trustee (arbiter) who is an entity that is independent from all parties. All entities in a protocol unconditionally trust the Trustee who is called to adjudicate any disputes between the payer and the payee. Certain

payment systems might involve more players like Payment Gateways (PG) who are entities that act as a medium for transaction processing between other entities (e.g. MasterCard, Visa) and Certification Authorities (CA) who are necessary if the e-payment systems involve PKI's. They issue public key certificates to entities involved in a payment protocol so that their authenticity can be publicly verified. *Figure 1* illustrates the participating entities in an e-payment system.

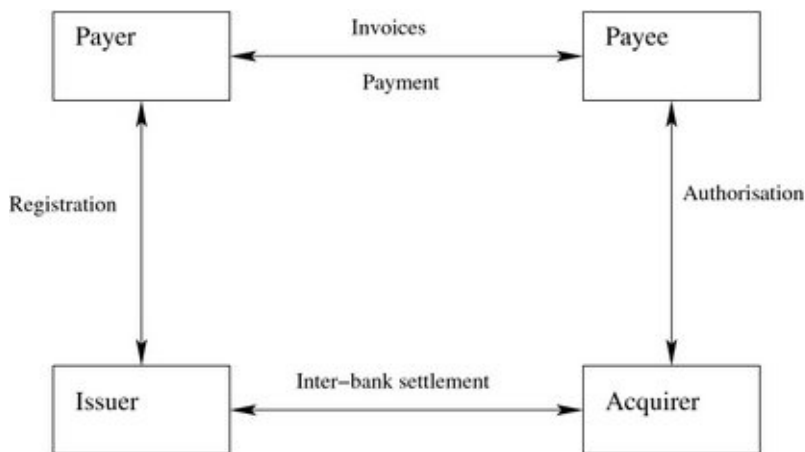


Figure 1: Generic E-payment Protocol

2. Phases in E-Payment

An electronic payment typically involves the following phases:

- **Registration:** This phase involves the registration of the payer and the payee with the issuer and acquirer respectively. Most electronic payments designed require registration of payers and payees with their corresponding banks so there is a link between their identities and their accounts held at the bank.
- **Invoicing:** In this phase, the payee obtains an invoice for payment from the payer. This is accomplished by either browsing and selecting products for purchase from the merchant's (payee's) website in case of purchases made through the internet or obtaining an electronic invoice using other electronic communication medium like e-mail. This phase typically is performed in an unsecured environment and normally excluded while designing payment protocols. The importance of this phase is that, it sets the mandatory and optional data variables that should be included in a payment protocol.
- **Payment selection and processing:** In this phase the payer selects type of payment, (card based, e-cash, e-cheque, etc.,) based on the type of payment the payee accepts. Based on the selection, the payer then sends the relevant payment details like account number, unique

identifiers of the payer to the payee along with accepted amount based on the invoice. Certain protocols might also require the payer to obtain preauthorised token (like bank drafts) from the issuer before the payer sending the payment information to the payee.

- **Payment authorisation and confirmation:** In this phase, the acquirer on receiving payment details from the payee authorises the payment and issues a receipt containing the success or failure of the payment to the payee. The payee based on the message may also issue a receipt of payment to the payer.

Requirements Of E Payment

- **security:** payment systems are very likely to become a target for criminal attacks.
- **flexibility:** different models for different situations (anonymity, accountability, risk).
- **computational efficiency:** support for micropayment; per-transaction cost must be small enough so that they are insignificant.

E-Commerce or Electronics Commerce sites use electronic payment where electronic payment refers to paperless monetary transactions. Electronic payment has revolutionized the business processing by reducing paper work, transaction costs, labour cost. Being user friendly and less time consuming than manual processing, helps business organization to expand its market reach / expansion. Some of the modes of electronic payments are following.

- Credit Card
- Debit Card
- Smart Card
- E-Money
- Electronic Fund Transfer (EFT)

-

Credit Card

Payment using credit card is one of most common mode of electronic payment. Credit card is small plastic card with a unique number attached with an account. It has also a magnetic strip embedded in it which is used to read credit card via card readers. When a customer purchases a product via credit card, credit card issuer bank pays on behalf of the customer and customer has a certain time period after which he/she can pay the credit card bill. It is usually credit card monthly payment cycle. Following are the actors in the credit card system.

- The card holder - Customer
- The merchant - seller of product who can accept credit card payments.
- The card issuer bank - card holder's bank
- The acquirer bank - the merchant's bank
- The card brand - for example , visa or mastercard.

Debit Card

Debit card, like credit card is a small plastic card with a unique number mapped with the bank account number. It is required to have a bank account before getting a debit card from the bank. The major difference between debit card and credit card is that in case of payment through debit card, amount gets deducted from card's bank account immediately and there should be sufficient balance in bank account for the transaction to get completed. Whereas in case of credit card there is no such compulsion.

Debit cards free customer to carry cash, cheques and even merchants accepts debit card

more readily. Having restriction on amount being in bank account also helps customer to keep a check on his/her spendings.

Smart Card

Smart card is again similar to credit card and debit card in appearance but it has a small microprocessor chip embedded in it. It has the capacity to store customer work related/personal information. Smart card is also used to store money which is reduced as per usage.

Smart card can be accessed only using a PIN of customer. Smart cards are secure as they store information in encrypted format and are less expensive/provide faster processing. Mondex and Visa Cash cards are examples of smart cards.

E-Money

E-Money transactions refer to a situation where payment is done over the network and amount gets transferred from one financial body to another financial body without any involvement of a middleman. E-money transactions are faster, convenient and save a lot of time.

Online payments done via credit card, debit card or smart card are examples of e-money transactions. Another popular example is e-cash. In case of e-cash, both customer and merchant both have to sign up with the bank or company issuing e-cash.

Electronic Fund Transfer

It is a very popular electronic payment method to transfer money from one bank account to another bank account. Accounts can be in same bank or different bank. Fund transfer can be done using ATM (Automated Teller Machine) or using computer.

Now a day, internet based EFT is getting popularity. In this case, customer uses website provided by the bank. Customer logs in to the bank's website and registers another bank account. He/she then places a request to transfer certain amount to that account. Customer's bank transfers amount to other account if it is in same bank otherwise transfer request is forwarded to ACH (Automated Clearing House) to transfer amount to other account and

amount is deducted from customer's account. Once amount is transferred to other account, customer is notified of the fund transfer by the bank.

Post Paid payment system and its type

Post Paid payment system can be divided into three categories:

Credit Cards

Credit card is **plastic card** which is issued by a bank. It is issued to customers of high credit ranking. the necessary information is stored in magnetic form on the card. A card holder can purchase the item from the shop or the showrooms and need not pay cash. he has to flash the card in machine at the place where he is making purchases. Banks issues credit card to the customers upto a certain limit. The customers can purchase goods/services from the authorized showrooms without carrying physical cash with them. The bills are present by the showroom to the authorized branch. this bills is presented by the paying branch to the issuing branch. issuing branch informs the customer about the debit. Banks takes nominal charges for credit cards.

Credit cards are used for online purchases. The merchants like credit cards because that they know that they are issued by issuing bank on the basis of creditability of the credit holder and thus, like cheques, they don't have the risk of bounced. The customers like purchasing through credit cards because they do not get goods and services as per the term and condition, they can cancel the transaction.

For **on-line transactions**, credit cards are the easiest method of payment. Credit card payment for online transactions can be **performed by phones or by filling form on the website**.

The credit card holder has to exercise great precautions if it is lost, an FIR should be lodged and the **concerned bank** should be informed immediately.

Cyber Cash

Unlike Credit card, **Cyber Cash** is not directly involved in handling funds. In Cyber cash system, after deciding what is to be purchased the customer makes payment to the merchant through credit card without disclosing the credit card number to him. The credit card number sent to the merchant in encrypted form. The merchant forward the **encrypted payment** with his private key to the bank's Cyber Cash gateway server. The bank's Cyber Cash gateway server decrypts the information, processes the transaction and forward it to the merchant's bank. The merchant's bank forward the authorization request to the customer's bank. The approval or denial code sent to back to Cyber Cash gateway server which returns the approval or denial code to the seller who then passes it on to the customer. This process takes 15-20 second.

Internet Cheques

A cheque is a signed paper document that order the signer's bank to pay an amount of money to a person specified on the cheque or bearer from the signer's account on or after a specified date. Cheques pass directly from the payer to the payee, so that the timing or the purpose of the payment are clear to the payee. The payee can deposit the cheque in an account of his choice or cash it. Banks operate extensive facilities to accept **cheques for deposit, Process them internally, and clear and settle** Between banks.

The electronic Cheque or e-cheque, is based on the idea that electronic documents can be substituted for paper and public key cryptographic signatures can be substituted for handwritten signatures. The e-cheques is designed to fit into current cheque practices and system with minimum impact on payers, payees, banks and the financial system. The payer writes a cheque by structuring an electronic document with the information legally required to be in a cheque and cryptographically sign it. The payee receive the e-cheque, verify the payee's signature, writes out a deposit, and signs the deposit. The payee's bank verifies the payer's and payee's signatures, credits the payee's account and forward the cheque for clearing and settlement. Thus credit will not be a clear credit. it will be float or temporary credit. to be confirmed after it has been cleared by the paying bank, in the settlement process. The payee's bank verifies the payee's signature and debits the payee's account. The advantages of e-cheque is that cryptographic signatures on every e-cheque can be verified at all points, while in paper **cheques handwriting signatures** are rarely verified.

INSTANT PAID PAYMENT SYSTEM

Instant Payments is a Third Party Payment Processor that uses a robust software to provide the ability to process ACH (e-check), Debit Card, and Credit Card transactions online.

A **debit card** (also known as a **bank card** or **check card**) is a [plastic payment card](#) that provides the cardholder electronic access to their [bank account](#)(s) at a financial institution. Some cards may bear a [stored value](#) with which a payment is made, while most relay a message to the cardholder's bank to withdraw funds from a payer's designated bank account. The card, where accepted, can be used instead of [cash](#) when making purchases. In some cases, the [primary account number](#) is assigned exclusively for use on the Internet and there is no physical card.

A **direct debit** or **direct withdrawal** is a financial transaction in which one person withdraws funds from another person's bank account. Formally, the person who directly draws the funds ("the payee") instructs his or her bank to collect (i.e., debit) an amount directly from another's ("the payer's") [bank account](#) designated by the payer and pay those funds into a bank account designated by the payee. Before the payer's banker will allow the transaction to take place, the payer must have advised the bank that he or she has authorized the payee to directly draw the funds.

PREPAID PAYMENT SYSTEM

Prepaid payment instruments are those which facilitate purchase of goods and services against the value stored on such instruments. The value stored on such instruments represents the value paid for by the holder, by cash, by debit to a bank account, or by credit card.

The Prepaid instruments can be issued as [smart cards](#), [magnetic stripe cards](#), internet accounts, [online wallets](#), mobile accounts, mobile wallets, [paper vouchers](#) and any such instruments which can be used to access the prepaid amount.

Electronic cash: Is the [debit card system](#) of the [German Banking Industry Committee](#), the association which represents the top German financial interest groups. Usually paired with a [checking account](#), cards with an Electronic Cash logo are only handed out by proper credit institutions. An electronic card payment is generally made by the card owner entering their PIN ([Personal Identification Number](#)) at a so-called EFT-POS-terminal ([Electronic-Funds-Transfer-Terminal](#)). The name “EC” originally comes from the unified European checking system [Eurocheque](#). Comparable debit card systems are [Maestro](#) and [Visa Electron](#). Banks and credit institutions who issue these cards often pair EC debit cards with Maestro functionality. These combined cards, recognizable by an additional Maestro logo, are referred to as “EC/Maestro cards”.

DigiCash: It was an [electronic money](#) corporation founded by [David Chaum](#) in 1990. DigiCash transactions were unique in that they were anonymous due to a number of [cryptographic](#) protocols developed by its founder. DigiCash declared bankruptcy in 1998, and subsequently sold its assets to eCash Technologies, another digital currency company, which was acquired by [InfoSpace](#) on Feb. 19, 2002.

Netcash: This account provides secure online access to a range of services on a single platform which provides you with the ability to exercise control and manage your debtors and creditors effectively. With personalised service, a state of the art secure online system and competitive transaction costs, it's easy to see why Netcash is a leader in money management. Netcash presents customers with a single, easy to use account, dedicated support and access to a host of over 20 services and no additional software is required.

The CyberCash Secure Payment System: It is a complete system for conducting financial transactions on the Internet. It accepts both credit card payments and cash/coin transactions. The CyberCash system is a great solution for any Web site that wants to accept electronic payment for goods or services.

CyberCash's CashRegister software offers three methods for authorizing consumer purchases and actually billing the consumer's credit card: **online capturing**, **post-authorization capturing**, and **batch capturing**. The processing method a merchant uses is dictated by how products are delivered to consumers. Merchants selling products or services that are being delivered online or that are guaranteed to ship the same day will use online capturing. On the other hand, because of mail order laws, merchants selling products that

are shipped after the order is taken may choose post-authorization capturing or batch capturing.

Smart card: A smart card, chip card, or integrated circuit card (ICC) is any pocket-sized card with embedded [integrated circuits](#). Smart cards are made of plastic, generally [polyvinyl chloride](#), but sometimes [polyethylene terephthalate](#) based [polyesters](#), [acrylonitrile butadiene styrene](#) or [polycarbonate](#). Since April 2009, a Japanese company has manufactured reusable financial smart cards made from paper.

Smart cards can provide identity documentation, authentication, data storage, and application processing. Smart cards may provide strong security [authentication](#) for [single sign-on](#) (SSO) within large organizations.

A **web page** (or **webpage**) is a [web document](#) that is suitable for the [World Wide Web](#) and the [web browser](#).

A web browser displays a web page on a [monitor](#) or [mobile device](#). The web page is what displays, but the term also refers to a [computer file](#), usually written in [HTML](#) or comparable [markup language](#). Web browsers coordinate the various [web resource](#) elements for the written web page, such as [style sheets](#), [scripts](#) and [images](#), to present the web page.

Typical web pages provide [hypertext](#) that include a [navigation bar](#) or a [side bar menu](#) to *other* web pages via [hyperlinks](#), often referred to as *links*.

On a network, a web browser can retrieve a web page from a remote [web server](#). On a higher level, the web server may restrict access to only a private network such as a corporate [intranet](#) or it provides access to the World Wide Web. On a lower level, the web browser uses the [Hypertext Transfer Protocol](#) (HTTP) to make such requests.

A [static web page](#) is delivered exactly as stored, as [web content](#) in the web server's [file system](#), while a [dynamic web page](#) is generated by a [web application](#) that is driven by [server-side software](#) or client-side scripting. Dynamic web pages help the browser (the [client](#)) to enhance the web page through user input to the server.

A **website**, also written as **web site**, or simply **site**, is a set of related [web pages](#) typically

served from a single [web domain](#). A website is hosted on at least one [web server](#), accessible via a network such as the [Internet](#) or a private [local area network](#) through an Internet address known as a [Uniform resource locator](#). All publicly accessible websites collectively constitute the [World Wide Web](#).

A webpage is a [document](#), typically written in [plain text](#) interspersed with formatting instructions of Hypertext Markup Language ([HTML](#), [XHTML](#)). A webpage may incorporate elements from other websites with suitable [markup anchors](#).

Web pages are accessed and transported with the [Hypertext Transfer Protocol](#)(HTTP), which may optionally employ encryption ([HTTP Secure](#), HTTPS) to provide security and privacy for the user of the webpage content. The user's application, often a [web browser](#), renders the page content according to its HTML markup instructions onto a [display terminal](#).

The pages of a website can usually be accessed from a simple Uniform Resource Locator (URL) called the [web address](#). The URLs of the pages organize them into a hierarchy, although [hyperlinking](#) between them conveys the reader's perceived [site structure](#) and guides the reader's navigation of the site which generally includes a [home page](#) with most of the links to the site's [web content](#), and a supplementary about, [contact](#) and [link page](#).

Some websites require a subscription to access some or all of their content. Examples of subscription websites include many business sites, parts of news websites, [academic journal](#) websites, gaming websites, file-sharing websites, [message boards](#), web-based [email](#), [social networking](#) websites, websites providing real-time [stock market](#) data, and websites providing various other services (e.g., websites offering storing and/or sharing of images, files and so forth).

Importance of website:

These days, almost any small business should have a website. With costs being extremely low at the entry level, it's becoming difficult to imagine a reason for any company of any size not to have a website. Many user-friendly, free and open-source content-management systems are available to assist with Web design, so it is even possible to build a basic small business website without a professional Web designer.

Low-Cost Advertising

The Web has a far wider reach than any other form of advertising. While it takes time to build up enough traffic to your website to make a worthwhile impact on your company's marketing campaign, it costs next to nothing to do so. Your website will be the center of your company's online presence; through it, you advertise your business around the Web on social networking sites, forums and through pay-per-click advertising programs.

Visibility

Increasing visibility is one major factor that makes having a website important. Even if people have heard about your company, they may want to carry out research online first, before leaving the house. Provide a map and directions to your company's shops or offices on your website so that visitors are less likely to have trouble finding the place.

A website is online and accessible 24 hours a day, every day of the year. Because of this, your customers and potential customers can visit your site for support or information about new and upcoming products and services whenever it is convenient for them. Your website will act as an invaluable and always-available resource for information which would otherwise only be accessible during your company's business hours.

Sales

Your website can sell products at any time. Potential customers are not restricted to business hours. Instead, they can go online and purchase products whenever they want. A website with an online shop can provide a dramatic boost in sales.

A **home page** or **index page** is the initial or main [web page](#) of a [website](#). It is sometimes also called the **front page** or **main page** (by analogy with newspapers), or written as "**homepage**."

Features guidelines for constructing web page:

Appearance

A site must be visually appealing, polished and professional. Remember, it's reflecting your company, your products and your services. Your website may be the first, and only, impression a potential customer receives of your company.

An attractive site is far more likely to generate a positive impression and keep visitors on

your site once they arrive. As businesses large and small continue to populate the web, your challenge is to attract and keep users' attention.

Guidelines:

- **Good use of color:** an appropriate color scheme will contain 2 or 3 primary colors that blend well and create a proper mood or tone for your business. Don't overdo the color, as it can distract from the written content.
- **Text that is easily read:** The most easily read combination is black text on a white background, but many other color combinations are acceptable if the contrast is within an appropriate range. Use fonts that are easy to read and are found on most of today's computer systems. Depending on your audience keep font size for paragraph text between 10 and 12 pts.
- **Meaningful graphics:** Graphics are important, as they lend visual variety and appeal to an otherwise boring page of text. However, don't over-use them, and make sure that add meaning or context to your written content. Don't overload any one page with more than 3 or 4 images.
- **Quality photography:** A simple way to increase visual appeal is to use high quality photography. High quality product images are especially important for online retailers.
- **Simplicity:** Keep it simple and allow for adequate white space. Uncluttered layouts allow viewers to focus on your message. Don't overload your site with overly complex design, animation, or other effects just to impress your viewers.
- **Content**

Along with style, your site must have substance. Remember that your audience is looking for information that will help them make a decision, so it should be informative and relevant. Use this opportunity to increase visitor confidence in your company's knowledge and competence.
- **Short and organized copy:** Clearly label topics and break your text up into small paragraphs. Don't bore your visitors with visually overwhelming text. You've got less than 10 seconds to hook your visitors, so grab their attention by being clear, concise and compelling.
- **Update your content regularly:** No one likes to read the same thing over and over again. Dead or static content will not bring visitors back to your site!

- **Speak to your visitors:** Use the word you as much as possible. Minimize the use of *I*, *we* and *us*.
- **Functionality:** Every component of your site should work quickly and correctly. Broken or poorly constructed components will only leave your visitors frustrated and disillusioned with your company. Across the spectrum, everything should work as expected, including hyperlinks, contact forms, site search, event registration, and so on.
- **Error-free copy:** Remember the exposure your website will get. Double-check your facts and figures, as you don't know who may be quoting you tomorrow. Incorrect grammar and punctuation, or misspellings. Spelling mistakes and bad grammar are as unforgivable on a website as they are in other company materials.
- **Usability:** A critical, but often overlooked component of a successful website is its degree of usability. Your site must be easy to read, navigate, and understand. Some key usability elements include:
 - **Simplicity:** The best way to keep visitors glued to your site is through valuable content, good organization and attractive design. Keep your site simple and well organized.
 - **Fast-loading pages:** A page should load in 20 seconds or less via dial-up; at more than that, you'll lose more than half of your potential visitors.
 - **Minimal scroll:** This is particularly important on the first page. Create links from the main page to read more about a particular topic. Even the Search Engines will reward you for this behavior.
 - **Consistent layout:** Site layout is extremely important for usability. Use a consistent layout and repeat certain elements throughout the site.
 - **Prominent, logical navigation:** Place your menu items at the top of your site, or above the fold on either side. Limit your menu items to 10 or fewer. Remember, your visitors are in a hurry -- don't make them hunt for information.
 - **Descriptive link text:** Usability testing shows that long link text makes it much easier for visitors to find their way around a site. Long, descriptive link text is favored by Search Engines, too. Back links are important to give users a sense of direction and to keep them from feeling lost. Use a site map, and breadcrumbs, if necessary.
 - **Cross-platform/browser compatibility:** Different browsers often have different

rules for displaying content. At a minimum, you should test your site in the latest versions of Internet Explorer (currently, versions 8 and 9), as well as Firefox and Safari.

- **Screen Resolution:** Screen resolution for the typical computer monitor continues to increase. Today, the average web surfer uses a resolution of 1024 x 768 pixels. However, you need to make sure that what looks good at this setting will also work nicely for other resolutions.

PROCEDURE FOR ONLINE SHOPPING:

Shopping online has become a part of our lives but some still worry that their credit card details will be given to the wrong person. Online shopping is certainly here to stay and online security continues to advance. There are arguments that shopping online can be safer than shopping over the phone or even in person, as you never hand your card details over to another person.

Shopping on our web site occurs in the following easy steps:

Step 1: Select products

Go to our online store. Select the product and quantity that you want to purchase. Please do [download](#) and evaluate the demo versions of the products of your interest before purchasing.

Step 2: Confirmation

A confirmation page is presented to you with the total value of your order after you have selected the products you wish to purchase. You are required to enter your name, email address and postal address to proceed. The credit card number is taken in the next step.

Step 3: Credit card details

This step takes you to our credit card processor's site, where your credit card details (the name, number and expiry date on the credit card) are requested. This is done through a secure connection with state-of-the-art encryption. The transaction is approved subject to the verification of your credit card number and other details.

Step 4: Email receipt and installation codes

After the transaction is approved, you are automatically sent an email by Syvum Customer Service with all the product installation codes. This normally takes a few

seconds, and you can expect to receive this email even before you proceed to the next step. You also receive an email which is an electronic receipt of the order.

Step 5: Product delivery

[cash on delivery](#) is a preferred payment method. India has a vibrant cash economy as a result of which 80% of Indian e-commerce tends to be Cash on Delivery. However, COD may harm e-commerce business in India in the long run ^[4] and there is a need to make a shift towards online payment mechanisms.

State of ecommerce in India

E-commerce has come a long way since its inception and is only getting bigger. As technology continues to grow rapidly, e-commerce retailers are adopting newer techniques to facilitate sellers and buyers to sell and buy online more efficiently, thanks to ever dropping rates of internet surfing – both for web and mobile interfaces – which is complimenting to the soaring population of internet users. It has hence become the key force behind driving the trend for e-commerce. The rise of social networks and mass adoption of mobile devices is acting as a catalyst to accelerate this drive further, shaping the e-commerce trends for the Indian market.

What is Ecommerce and the Importance of Ecommerce

Electronic commerce, or Ecommerce, which literally means business trading through the Internet, has been around the globe since mid 90s. However, until the recent few years, Ecommerce is getting more and more attention from entrepreneur and consumers, both local and international. One of the main reasons is due to the highly successful operations of some well known names on the Internet, such as eBay, Yahoo and Dell. The sales revenue these companies shown in their annual reports are without doubt, one of the biggest factors why Ecommerce is important in the commercial market nowadays.

Ecommerce proved its importance based on the fact where time is essence. In the commercial markets, time plays an important role to both the business and consumers. From the business perspective, with less time spent during each transaction, more transaction can be achieved on the same day. As for the consumer, they will save up more

time during their transaction. Because of this, Ecommerce steps in and replaced the traditional commerce method where a single transaction can cost both parties a lot of valuable time. With just a few clicks in minutes, a transaction or an order can be placed and completed via the internet with ease. For instance, a banking transaction can be completed through the Internet within a few minutes compared to the traditional banking method which may take up to hours. This fact obviously proves that Ecommerce is beneficial to both business and consumer wise as payment and documentations can be completed with greater efficiency.

From the business viewpoint, Ecommerce is much more cost effective compared to traditional commerce method. This is due to the fact where through Ecommerce, the cost for the middleperson to sell their products can be saved and diverted to another aspect of their business. One example is the giant computer enterprise, Dell, which practice such a method by running most of their business through internet without involving any third parties. Aside from that, marketing for Ecommerce can achieve a better customer to cost ratio as putting an advertisement on the internet is comparably much cheaper than putting up a roadside banner or filming a television commercial. For Ecommerce, the total overheads needed to run the business is significantly much less compared to the traditional commerce method. The reason due to that is where most of the cost can be reduced in Ecommerce. For example, in running an Ecommerce business, only a head office is needed rather than a head office with a few branches to run the business. In addition to that, most of the cost for staff, maintenance, communications and office rental can be substitute by a single cost, web hosting for the Ecommerce business.

To both the consumers and business, connectivity plays an important part as it is the key factor determining the whole business. From the business point of view, Ecommerce provides better connectivity for its potential customer as their respective website can be accessed virtually from anywhere through Internet. This way, more potential customers can get in touch with the company's business and thus, eliminating the limits of geographical location. From the customer standpoint, Ecommerce is much more convenient as they can browse through a whole directories of catalogues without any hassle, compare prices between products, buying from another country and on top of that,

they can do it while at home or at work, without an necessity to move a single inch from their chair. Besides that, for both consumers and business, Ecommerce proves to be more convenient as online trading has less red tape compared to traditional commerce method.

In global market sense, the appearance of Ecommerce as a pioneer has opened up various windows of opportunities for a variety of other companies and investors. For instance, due to the booming of Ecommerce, more and more resources are being directed into electronic securities, internet facilities, business plans and new technologies. In result of this phenomenon, a variety of new markets have emerged from Ecommerce itself giving a boost to the global market.

In short, if without any major obstacles, **Ecommerce** will certainly continue to mature in the global market and eventually, it will become an essential business plan for a company in order to survive and stay competitive in the ever changing market.

E-TRADING:

Electronic trading, sometimes called **etrading**, is a method of trading [securities](#) (such as [stocks](#), and [bonds](#)), [foreign exchange](#) or [financial derivatives](#) electronically. [Information technology](#) is used to bring together buyers and sellers through an [electronic trading platform](#) and network to create virtual market places such as [NASDAQ](#), [NYSE](#), [Arca](#) and [Globex](#) which are also known as [electronic communication networks](#) (ECNs).

Electronic trading is rapidly replacing human trading in global securities markets.

Electronic trading is in contrast to older [floor trading](#) and phone trading and has a number of advantages, but glitches and cancelled trades do still occur

Advantages

- It is simple to open and manage an account and there are no geographical limitations.
- Online trading of stock facilitates trading in real-time market data and various markets and products.
- Online trading favors active traders, who trade in bulk but demand lesser commission.
- Faster trade execution that facilitates day traders in swing trading.

- Complete automated trading process with access to advanced trading tools.

Disadvantages

- There is probability of trading loss in case of mechanical or platforms malfunction.
- Online trading is unsafe if it is done broadly on margin.

The fee of online brokers varies

CHAPTER 5

E GOVERNANCE IN INDIA AND GOA

Aspects of E-Governance

1. Information Management
2. Identity and Access Management
3. Content Management
4. Standards Management
5. ICT Legal Framework

1. Information Management

Information management is gathering and storing at one place, the information relating to the Government and Governing process. It is the systematic arrangement/classification of information. If the information of the Government is gathered at one place without any arrangement or management, it would prove difficult for the users to find the required information. Managing information is an important aspect of E-governance. Information management addresses the issues like – How to provide? What to provide? Whom to Provide? When to provide? Where to provide? Why to provide?

The process of information management may further be divided into three aspects – (1) Database Management, (2) Indicator Management, and (3) Knowledge Management. Database Management involves bare compilation and organisation of data and information at one place. Indicator Management involves storing with the information the catch words, labels, tags, meanings and context relating to the information. Knowledge Management involves managing the skills and know-how of the employees/experts of the Government for benefit of the Government.

Information management is an integral aspect of E-commerce. It also proves essential for E-Governance. It helps transform the governing process in a business-like efficient and cost-effective process. Information management aims at reducing cost, improving performance, differentiating of products and services of Government, specialised/customised information, and citizen focus.

Information management involves following stages –

- Gathering – gathering all the available information of the government
- Creating – creating information which is lost or not available
- Storing – storing the gathered information in one place
- Accessing – accessing of stored information by the people
- Distributing – distributing required information to the public
- Ignoring – ignoring the information not publicly important
- Discarding – discarding ignored and insignificant information

- Updating – continuous updating information
- Securing – securing the information with latest technology so as to give access to information to those who really require it.

2. Identity and Access Management

Identity management is a set of processes and infrastructure for the creation, maintenance and use of digital identities for the purpose of access to E-governance portals and the information on those portals. Well established Identity management system helps setup an Access management system. The object of Identity Management is to create scalable, extensible and secure standards based framework for identity data acquisition and storage.

Access management involves authentication of identity of the user and giving access to the Government and public information available online. Access management is necessary to give a secure access to information to the public. Securing of public information available online is very important due to recent online piracy and attacks on websites through hacking. E-governance would involve huge of sensitive public information up for grabs for the hackers of other countries. Further there are certain things which require to be accessed by only the Government officials. So online security of information is very necessary which can be done through Access management. Access management is only possible if there is an Identity Management system is already online and running successfully.

The identities can be classified as follows: (1) Citizens, (2) Employees, (3) Customers, (4) Organisations, (5) Agencies, (6) Partners, etc.

The process of Identity Management involves following stages

- a) Citizen Request** – The first stage is the Citizens' requests for creation of identities. This may be done physically by submitting forms and documents.
- b) Verification** – The second stage is to physically verify the identities by crosschecking various documents, photo identities, etc.
- c) Assignment of identifier** – The Government has to assign a unique identifier which may be a number or a username and password to every citizen so as to eliminate multiplicity of identities. Today according to the emerging technologies the identifiers may also be in the form of biometrics, digital certificates, smart cards, etc.
- d) Storage of Identities in ID stores/databases** – Once an identifier is assigned/username and password is created, the identities are stored in the identity stores.

The process of Access Management involves following stages:

- a) Authentication** – Once a user wants to access online portal, he will need to access it through the unique identifier assigned after registration. After the user enters the username and passwords or through any other authentication process like biometrics, digital certificates, etc. his access to the portal is authenticated.
- b) Authorisation** – Authorisation of user depends on the type the user belongs. The user may be administrator, Manager, Author, Creator, user, etc. A user will only be authorised to

access the information. The Administrator is authorised to change the information.

c) Access Control – Based on the authorisation of the user, his access of information in various areas will be controlled. This will be based on the type of user, i.e. Administrator, user, etc.

d) Audit and Reporting – Audit and Reporting involves the monitoring the access of information by users, their authority and access rights. This helps in improving the access security and also the security of the information.

Advantages/Benefits of Identity and Access Management

- a) Elimination of storage of duplicate identities
- b) Interoperability of applications by enforcement of data standardisation
- c) Single Sign in
- d) Secure Access
- e) Curbing unauthorised access
- f) Increased Citizen participation
- g) Improve performance of the Government Services
- h) Improve Service Delivery
- i) 24x7 availability of Government services

3. Content Management

Content management is the process of organising, distributing and tracking information/data through a website over the internet. It helps to make users more knowledgeable or informed by offering instant access to correct information online. It deals with providing right information, to right people at right time.

Contents of a website can be divided as follows: Text, Graphics, Audio, Video, Diagrams, Links, etc. Managing this various type of content is important. It is necessary to decide where to provide text and where images and graphics.

Content management further involves:

- a) **Web based publishing** – publishing webpages, documents, charts, graphs, etc online on a website;
- b) **Format management** – following practise of fixed formats for webpages, text, graphics, audio and video;
- c) **Revision** – involves continuous updating of information;
- d) **Indexing** – creating indexes of the topics and subjects of which information is available on the website;

e) **Search** – providing search facility to users to find out exact data that user wants.

Object of Content Management

a) To Communicate Right Data to Right People at Right Time

b) To ensure that the contents are need based, relevant, up to date and accurate

c) To avoid duplication of content

Essentials of Content Management

a) Centralised storage – information must be stored centrally, i.e. at one place to make access easy and avoid complications of networking and computing;

b) Reviewing and Authentication of Contents – The contents of the website must be continuously reviewed and authenticated so as to maintain the authenticity of the data available on the website. It must also be done for providing relevant content/information on the website;

c) Access of data by the end user – Unless the user access the data published on the website, the whole effort is in vain.

4. Standards Management

ICT provides many ways to achieve E-governance. There are multiple formats to deal with webpages, text, graphics, audio, and video. However, as seen currently, there is no uniformity in the e-governance websites as to the use of formats. There are also various levels of technologies, basic and advanced. For e-governance, basic technologies are not sufficient because of the security concerns of sensitive data/information. Therefore, e-governance websites have to maintain standards. Standards management involves further aspects as follows:

1. Network and information Security Standards
2. Meta data and data standards
3. Localisation and language technology
4. Quality and documentation standards
5. Technical standards
6. Web accessibility standards

Stages of E-Governance

United Nations E-Readiness Survey contemplates the following stages of E-governance as to the online presence of Governments worldwide:

1. Emerging Presence – The Stage I i.e. Emerging presence considers online availability of limited and basic information. A basic online presence of an e-government involves an

official website and few WebPages. Links to ministries and departments of Central Government, regional/local Government may or may not be available. The website at this stage may also have some archived information such as the head of states' messages or the constitution. However at this stage most of the information remains static without there being [ANY OPTIONS](#) for citizens.

2. Enhanced presence – The Stage II contemplated by UN is Enhanced presence of the Government online. At this stage the Government provides more public information resources such as policies of the Government, laws, regulations, reports, newsletters. This may also be downloadable at this stage. This stage may allow users to search the information within the documents available online. A help and a sitemap feature may also be provided on the website to make navigation of the website simpler. At this stage though there are more number of documents available online, the navigation of the website is still not sophisticated and is unidirectional. There are no interactivity at this stage as the information is only flowing towards the citizens rather than also from citizens to Government.

3. Interactive presence – The Stage III of Interactive presence considers Governments to initiate interactivity in their websites. It involves availability of online services of the government to enhance convenience of the consumer. This will include downloadable forms and applications for payment of bills, taxes and renewal of licenses. Government Websites at this stage would have audio and video capability to increase the interactivity with the citizens. At this stage the government officials would be able contacted via email, fax, telephone and post. The website would be updated regularly to keep the information current and up to date for the public.

4. Transactional presence – The Stage IV i.e. Transactional presence allows two-way interaction between the citizens and Government. It includes options such as paying taxes, applying for ID cards, birth certificates, passports, license renewals and other similar C2G interactions by allowing the citizen to submit forms and applications online 24/7. The citizens at this stage will be able to pay for relevant public services, such as motor vehicle violation, taxes, fees for postal services through their credit, bank or debit card. Providers of goods and services are able to bid online for public contracts via secure links.

5. Networked presence – The Stage V as contemplated by UN Survey is 'Networked Presence' which represents the most sophisticated level in the online e-government initiatives. It can be characterized by an integration of G2G, G2C and C2G interactions. The government at this stage encourages citizen participation, online participatory decision-making and is willing and able to involve the society in a two-way open dialogue. Through interactive features such as the web comment form, and innovative online consultation mechanisms, the government will actively solicits citizens' views on public policy, law making, and democratic participatory decision making. At this stage of E-governance the integration of the public sector agencies with full cooperation and understanding of the concept of collective decision-making, participatory democracy and citizen empowerment as a democratic right, is initiated.

Strategies for E-Governance in India

1. To build technical infrastructure/framework across India

India lacks a full fledged ICT framework for implementation of e-governance. Complete implementation of E-governance in India will include building technical Hardware and Software infrastructure. It will also include better and faster connectivity options. Newer connectivity options will include faster Broadband connections and faster wireless networks such as 3G and 4G. The infrastructure must be built by Government, Private Sector as well as individuals. Infrastructure will also include promotion of Internet Cafes, Information and Interactive Kiosks. However while building technical infrastructure, disabled persons must also be considered. The technology implemented, shall incorporate the disabled persons.

2. To build institutional capacity

Apart from building technical infrastructure, the Government needs to build its institutional capacity. This will include training of Government employees, appointment of experts. Alongwith the Government has also to create an Expert database for better utilisation of intellectual resources with it. Apart from this, the Government has to equip the departments with hi-technology and has also to setup special investigating agency.

3. To build legal infrastructure

For better implementation of e-governance, the Government will need to frame laws which will fully incorporate the established as well as emerging technology. Changing technology has changed many pre-established notions; similarly the technology is growing and changing rapidly. It is important, that the Government makes laws which incorporate the current technology and has enough space to incorporate the changing future technology. These IT laws need to be flexible to adjust with the rapidly changing technology. Currently India has only the IT Act, 2000 which is mainly an E-Commerce legislation. India has also modified many laws to include electronic technology, however it is not sufficient to cover e-governance completely.

4. To build judicial infrastructure

Overall technological awareness in current Judges is very low. The judiciary as a whole needs to be trained in new technology, its benefits and drawbacks and the various usages. The judiciary may alternatively appoint new judges with new judges and setup special Courts to deal with the matters relating to ICT. The Government can also setup special tribunals to deal with matters relating with ICT.

5. To make all information available online

The Government has to publish all the information online through websites. This can be facilitated through centralised storage of information, localisation of content and content management. The information of government is public information, therefore the citizens are entitled to know every piece of information of the Government, because the Government is of the People, by the People and for the People.

6. To popularise E-governance

Literacy percentage in India is alarming. The whole world is moving towards e-governance,

but India still lacks in the literacy department. The people need to be educated and made e-literate for e-governance to flourish. There are very few e-literate people in India is very low. The Government needs to campaign for e-governance, increase people's awareness towards e-governance. Government can only encourage people to go online if it can make people feel comfortable with e-governance. This can be done through educating the people about the advantages of e-governance over physical governance. This can also be done through raising awareness of the leaders who can motivate the people to go online.

7. Centre-State Partnership

Indian setup is quasi-federal. Therefore Centre-State and inter-state cooperation is necessary for smooth functioning of the democratic process. This cooperation is also necessary for successful implementation of e-governance. This cooperation shall extend to Centre-state, inter-state and inter-department relationships. For the same the Government can setup a Central Hub like the current Government of India portal, for accessing the information of all the organs of the central government and also all the state government. The states can cooperate with the Centre to create a National Citizen Database.

8. To set standards

Finally it is important to set various standards to bring e-governance to the quality and performance level of private corporate sector. The Government of India is currently working on standards management and has various drafts prepared for the same. These standards include following: Inter-operability standards, Security standards, Technical standards, Quality standards. Government websites in India currently have no uniform standard. Many Government of Maharashtra websites differ in standards within even two of its webpages. There is no set standard as to quality of the information, document, the formats, etc. It is very important for the Government to set uniform national standards to be followed by all the Governments and agencies.

Technology to the doorstep of the citizens...

DIRECTORATE OF AGRICULTURE

Sr No.	Service
1	<u>Application for Farmers Registration</u>
2	<u>Application for Fencing Registration</u>
3	<u>Application for Crops Assistance</u>
4	<u>Application for Organization Registration</u>

DIRECTORATE OF ANIMAL HUSBANDRY & VETERINARY SERVICES

Sr No.	Service
1	<u>Application for Kamdhenu Scheme - Financial Assistance to Purchase cows/ buffaloes.</u>
2	<u>Application for Modern Dairy Scheme.</u>
3	<u>Application for Subsidy to purchase Milking machine</u>
4	<u>Application for Incentive to green fodder cultivation</u>
5	<u>Application for Piggery/Poultry development Scheme</u>
6	<u>Application for Establishment of modern poultry farm.</u>

DIRECTORATE OF ARCHIVES & ARCHAEOLOGY

Enter PAN / EPIC No.

Sr No. Service

- 1 Application form for issue of certified digital print of document of the Notarial Deeds
- 2 Application form for issue of certified digital print of document of the Land Registration Records
- 3 Application form for issue of certified digital print of document of the Inventory Files
- 4 Application for issue of digitally processed images on CD-ROMs to the Scholars
- 5 Application form for issue of certified digital print of Birth documents prior to 1914
- 6 Application Application form for issue of certified digital print of Death documents prior to 1914
- 7 Application Application form for issue of certified digital print of Baptism documents prior to 1914
- 8 Application form for issue of certified digital print of Marriage documents prior to 1914
- 9 Application form for the registration of Scholars for Research work

Enter Application No.:

- V.A.T. Payment
- Notificatons
- Help



DIRECTORATE OF ART AND CULTURE

Sr No.	Service
1	<u>Grants and financial assistance to professional groups and institutions</u>

DEPARTMENT OF CIVIL SUPPLIES AND CONSUMER AFFAIRS

Sr No.	Service
1	<u>RECEIPT OF CONSUMER COMPLAINTS & PROCESSING OF THE SAME</u>
2	<u>Application for New Retail Kerosene license</u>
3	<u>Application for New Hawker Kerosene License</u>
4	<u>Application for New Retail Foodstuff License</u>
5	<u>Renewal of Retail Kerosene license</u>
6	<u>Renewal of Hawker Kerosene license</u>
7	<u>Renewal of Foodstuff License</u>

COLLECTORATE, NORTH GOA

Sr No.	Service
1	<u>Application for Issue of Divergence Certificate</u>
2	<u>Application for Issue of Income Certificate</u>
3	<u>Application for Issue of Residence Certificate</u>
4	<u>Application / Renewal of Arms License</u>
5	<u>Application for Issue of Domicile Certificate</u>
6	<u>Application for Issue of Sound Permission</u>
7	<u>Application for providing Relief fund for Natural Calamity</u>
8	<u>Application for Issue of Caste Certificate</u>
9	<u>Application for Issue of Matrizz Certificate</u>

COLLECTORATE, SOUTH GOA

Sr No.	Service
1	<u>Application for Issue of Divergence Certificate</u>
2	<u>Application for Issue of Income Certificate</u>
3	<u>Application for Issue of Residence Certificate</u>
4	<u>Application for Renewal of Arms License</u>
5	<u>Application for Issue of Domicile Certificate</u>
6	<u>Application for Issue of New Video Parlour License</u>
7	<u>Application for Renewal of Video Parlour License</u>
8	<u>Application for Issue of Sound Permission</u>

9	<u>Application for Relief- Natural Calamity</u>
10	<u>Application for Issue of Caste Certificate</u>
11	<u>Application for Issue of Matríz Certificate</u>
12	<u>Application for PNNT Clinic Registration and Renewal</u>

Technology to the doorstep of the citizens...

Enter PAN / EPIC No.

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES

Sr No.Service

Enter Application No.:

- 1 Submission of Application for Dealer Registration under VAT
- 2 Renewal of Registration under VAT
- 3 Submission of Application for Dealer Registration under CST
- 4 Submission of Application for Dealer Registration under Luxury Tax
- 5 Renewal of Registration under Luxury Tax
- 6 Submission of Application for Dealer Registration under Entry Tax
- 7 Filing of Returns for COT
- 8 Submission of Application for Dealer Registration under Entertainment Tax
- 9 Renewal of Registration under Entertainment Tax
- 10 Payment of VAT
- 11 Payment of CST
- 12 Filing of Returns for TDS
- 13 Submission of Application for Dealer Registration under TDS
- 14 Filing of Returns for VAT
- 15 Renewal of Registration under TDS
- 16 Filing of Returns for CST
- 17 Filing of Returns for Luxury Tax
- 18 Filing of Returns for Entry Tax
- 19 Filing of Returns for Entertainment Tax

- V.A.T. Payment
- Notificatons
- Help



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OFFICE OF THE CHIEF ELECTORAL OFFICER

Sr No.	Service
1	<u>Application for Inclusion of names in Electoral Roll</u>
2	<u>Application for Transposition of names in Electoral Roll</u>
3	<u>Application for Correction of names in Electoral Roll</u>
4	<u>Application for Cancellation of names in Electoral Roll</u>

DIRECTORATE OF FISHERIES

Sr No.	Service
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1	Application for Registration of Fishing Nets
2	Application for Renewal of Fishing Nets

DEPARTMENT OF FOREST

Sr No.	Service
1	Permission for removal/disposal of Forest Produce
2	Application for Intimation of Felled Trees (Form A)
3	Application for Renewal of sawmill license
4	Application for Intimation of Felled Trees (Form B)

GOA EDUCATION DEVELOPMENT CORPORATION

Sr No.	Service
1	Application for Interest Free Education Loan

DIRECTORATE OF HIGHER EDUCATION

Sr No.	Service
1	Application for Goa Scholars Scheme [Redirected to State Portal (www.goa.gov.in)]
2	Scheme for Financial Assistance for Higher Education/Technical Education

DEPARTMENT OF INDUSTRIES, TRADE & COMMERCE

Enter PAN / EPIC No.

Sr No. Service

1 [Application Form Entrepreneurs Memorandum - I \(EM - I\)](#)

2 [Request for The High Powered Co-Ordination Committee For Consideration \(HPCC\)](#)

3 [HPCC FORMAT: Quarterly/Annual Reports](#)

4 [Application Form for Capital Contribution Scheme, 2008](#)

5 [Application Form for Interest Subsidy Scheme, 2008](#)

6 [Application Form For Goa State Financial Incentives to the Industries for Certification & Patenting Scheme, 2008.](#)

7 [Application Form for Incentives for Women Entrepreneurs, 2008](#)

8 [Application Form for The Goa State Employment Subsidy Scheme, 2008](#)

9 [Application Form for Consumption of Raw Materials, 2008](#)

10 [Application Form for Financial Assistance under Prime Minister's Employment Generation Program \(PMEGP\)](#)

Enter Application No.:

[V.A.T. Payment](#)

[Notificatons](#)

[Help](#)

- 11 Application Form for Goa State Export Market Development Scheme
- 12 Application Form Entrepreneurs Memorandum - II (EM - II)
- 13 Application for De Registration
- 14 Registration of an Endorsement EM-I
- 15 Application for Endorsement EM - PART II



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DIRECTORATE OF MUNICIPAL ADMINISTRATION

Sr No.	Service
1	<u>Application for Issue of Income Certificate</u>
2	<u>Issue of copy of Birth Certificate</u>
3	<u>Issue of copy of Death Certificate</u>
4	<u>Search of Birth & Death Registrations</u>
5	<u>Application for Issue of certified copy of Construction Licences</u>
6	<u>Application for Issue of certified copy of Occupancy/Completion Certificate</u>

DIRECTORATE OF PANCHAYAT

Sr No.	Service
1	<u>Application for Issue of Income Certificate</u>
2	<u>Application for Issue of Residence Certificate</u>
3	<u>Issue of Copy of Birth Certificate</u>
4	<u>Issue of Copy of Death Certificate</u>
5	<u>Search of Birth & Death Registrations</u>

DEPARTMENT OF PUBLIC GRIEVANCES

Sr No.	Service
1	<u>Online filing of Public Grievances</u>

DIRECTORATE OF SETTLEMENT AND LAND RECORDS

Sr No.	Service
1	<u>Application for Issue of Form I & XIV</u>
2	<u>Application for Issue of Copies of Form 'D'</u>
3	<u>Application for Issue of Form 'B'</u>

DIRECTORATE OF SOCIAL WELFARE

Sr No.	Service
1	<u>Children Stipend to sc students</u>
2	<u>Application for Meritorious scholarship to SC/OBC students.</u>
3	<u>Application Form for Post Metric Scholarship Scheme for Scheduled Caste, Other backward classes of the State of Goa</u>
4	<u>Application for the Book Bank Scheme to students belonging to Scheduled Caste Other Backward Classes</u>
5	<u>Application for Upgradation of Merritts Scheme to Students belonging to Scheduled Caste</u>
6	<u>Application for Kanya Dhan for SC.</u>
7	<u>Application for Stipend to the Disabled Students</u>
8	<u>Stipends to handicapped students</u>

DIRECTORATE OF TECHNICAL EDUCATION

Sr No.	Service
1	<u>Diploma Application Form</u>

DEPARTMENT OF TOURISM

Sr No.	Service
1	<u>Application for Registration of New Hotel or Guest House</u>
2	<u>Application for Registration of New Travel Agency and Tour Operator</u>
3	<u>Application for New Tourist Taxi Registration</u>
4	<u>Application for Registration of New Water Sports Activities</u>

DIRECTORATE OF TRANSPORT

Sr No.	Service
1	<u>Application for issue of Learner's License (Form 2)</u>
2	<u>Application for issue of Driving License (Form 4)</u>
3	<u>Application for Issue of duplicate Driving License (Form L.L.D)</u>
4	<u>Application for Renewal of Driving License (Form 9)</u>
5	<u>Application for grant of subsidy for Yellow/Black Motor Cycle, Auto Rickshaw Taxi scheme 2003</u>
6	<u>Application for grant of subsidy for replacement Buses/Mini Buses above 15 yr old</u>

DIRECTORATE OF WOMEN & CHILD DEVELOPMENT

Sr No.	Service
1	<u>Kanyadan Scheme</u>
2	<u>Grant-In-Aid Scheme to provide Financial Assistance to the Mahila Mandals</u>
3	<u>Registration of Homes under Juvenile Justice Act</u>
4	<u>Registration of Homes under Goa Children's Act</u>

CHAPTER 6

MANAGEMENT OF HOSPITALITY SERVICES

SERVICES IN TOURISM

In developing countries it is now widely recognised that there are two distinct economic sectors -----**The formal and the informal.**

The conceptual difference between the two sectors rests on two principles----- that of **free entry** and the **mode of production**. In the informal sector it is much easier for job seekers to get work and mode of production of productive units permits the use of ‘unstructured’ labour, in contrast to the relatively rigid, hierarchically organised labour force in the establishments of the formal sector. However, it must be kept in mind that even the informal sector reproduces the socio-economic inequalities prevalent in a society and the ease of entry is often restricted to a segment of this sector depending on the individual’s caste, class or ethnic affiliations. The basic differentiation of the two sectors in terms of the mode of operation of the productive units is:

1. The formal sector establishments are seen as making use of modern, often imported technology, that needs the discipline of a structured work force.
2. Informal sector establishments employ older, less mechanised techniques.

The difference in earnings between the formal and informal sectors is attributed in part to the difference in **technology** and the consequent **gap in labour productivities**.

The free entry factor implies that **wage earners operate in a flexible wage sector**. With free entry a job-seeker is able to obtain some employment provided his supply –price is below the prevailing wage which means that incomes are generally low and unpredictable. On the other hand if the individual in the informal sector is self-employed then, his labour is always supplied jointly with entrepreneurship and capital. The fixed capital needed in such business might be small, but given the slow rate of turnover in the informal sector, considerable working capital might be required per unit of output.

Types of Activities:

The **type of activities in the informal sector of tourism** would include the following:

1. Self-employed guides,
2. Souvenir business people in open-air stalls,
3. Guest –house owners,
4. Small self-employed entrepreneurs used by tourist agencies such as guides, drivers, etc.

A primary sphere of activity in the informal sector is that of **lodging** and the provision of **restaurant facilities**. A large number of tourist lodging in the developing world are guest houses owned by families in the destination area. Most of these families view the lodging of visitors as demanding little work compared to agricultural labour which is normally the alternative source of livelihood. Restaurant business which offers services such as prepared meals, food and refreshments also flourish by using culinary and other skills that are learnt in social institutions such as the family, thus requiring no investment in formal training, and

calling for little fixed and working capital to operate. Another important informal sector activity includes souvenir sellers in open-air stalls along the streets. These offer tourists jewellery and other arts and crafts using production techniques that have been virtually unchanged for generations. A final sphere of activity of importance in the informal sector is the employment of **self-employed entrepreneurs** by tourist agencies such as freelancers in the areas of guiding and short-distance local transportation. This sphere of activity also includes craft-related activities such as the making of simple utilitarian objects or music. Activities in the lodging and restaurant part of the informal sector have been the focus of most attention because they are predominant generators of income and employment in this sector.

SOUVENIR SELLERS IN OPEN –AIR STALLS.

Let us take a look at the phenomenon of souvenir business people who operate from open-air or make–shift stalls. They are involved in the business of selling ethnic arts and crafts products to an audience that is typically unfamiliar with the cultural and aesthetic criteria of the society which produces these artifacts. Owing to the geographical and cultural hiatus that often separates the producers from the consumers of such artifacts, their production is influenced by the sale process. Here souvenir business people who determine the preferences and demands of the market, control the quality of products and in some instances circulate prototypes of objects to be copied by local artisans. Such objects accordingly may be totally unrelated to the cultural background and aesthetic criteria of the producers' society. The emergence of a market in ethnic arts in pseudo –ethnic wares due to tourism has often been a major factor in the preservation and revival of these often declining arts and crafts in the host population. Sometimes the tourist –host population interaction results in the emergence of completely novel crafts, unrelated to the culture and arts of the producers but developed in response to the new opportunities offered by the tourist market, this is called as **induced commercialisation**. In Goa, for example, new products have emerged such as souvenirs like a toilet soap in the shape of a fish on a rope, and in other places there are instances of designed wax candles being produced for the tourist market. Tourists are often searching for products produced in unusual social and cultural conditions, this implies **searching out one-of-a-kind or rare craft items**. Secondly, tourists pay **attention to craftpersons and their training** by privileging souvenirs made by artisans who were trained by original methods and that had been handed down through a family for generations. The **use of indigenous materials** such as clays or grasses increases its eligibility as a souvenir and the production should be handmade by a person with the use of at most a rudimentary technology.

TRAVEL AGENCY: is responsible for organising travel. It in fact, is a travel consultant and organiser for the tourist. At the same time it provides a link to the suppliers of services with tourists/travellers. Hence we can say that a travel agency is like a retail store, the uniqueness being that it acts on behalf of both, the suppliers as well as the clients. For example, a tourist visits a Travel Agency to meet his travel demands. The Travel Agency

books his air tickets, arranges for his pick from the airport, books him on the hotel and so on. In all these services the Travel Agency has provided business to the suppliers of services while serving the tourist at the same time. This demonstrates the importance of Travel Agency whose role is growing more and more in the modern world.

Basic qualities of the personnel working in a travel agency are:

1. Courteous and helpful,
2. able to look at minute details,
3. ready to work under pressure,
4. prepared to work for solving problems, and
5. proficient in languages etc.

Factors that are also important:

1. **A sound knowledge of geography** -- particularly map reading and seasonality,
2. A fair knowledge of **customs and practices** in different countries or at the destinations one is dealing with,
3. Information about **health, visa permit and foreign exchange rules**.
4. Knowledge of **arithmetic** as fares are to be calculated or worked out.
5. Should know **typing or working on computers**, and
6. Have proficiency in **communicating skills**.

A Travel Agent should be **always current in fares, schedules, costs, availability, seasons, regulations etc.**

Example:

Traveller walks to the counter

TA: Morning, can I help you.

TR: Please book me for Bangalore.

TA: Well seats are available with two airlines

TR: I want to travel Indian Airlines(TA busy in making the ticket)

TR: Can you suggest some places I can go to from Bangalore.

TA: Well Sir, you have all types of places to visit, Brindavan gardens, and Nandi hills for nature, Mysore for heritage.

TR: That's great, thank you.(Collects the ticket pays)

(TA - Travel Agent; TR - Traveller)

OPERATIONS OF A TRAVEL AGENCY:

A travel Agency performs a number of tasks i.e. from booking tickets to baggage insurance, facilitation etc. Among these the primary operation starts with booking on travel modes. This is known as **ticketing**.

TICKETING: This is probably the most obvious and common function of a Travel Agency. There are primarily two modes of transport most Travel Agencies do ticketing for in India. Air Travel and Rail Travel.

Air travel has two main departments: 1. Domestic Tickets and
2. International Tickets.

1. Domestic Tickets: This is a term used for all travel within the country. With the growing of the airline network, frequency and competition between airlines it is the most busy department of any Travel Agency.

The Executive of the Desk need to know:

1. How to read a flight schedule.

There are primarily two types of Schedule.

2. Point to Point Schedule: (This gives all flights between City A and City B)

B) Flight Route Schedule. (This shows the way the Aircraft flies for the journey)--

1. Departure and Arrival Timings

C) Air Fare ----- are of two types Normal fares and Special fares.

Normal fares are based on the following classes of travel :a) Economy

B) Business, and c) First class.

Special Fares: a) Point to point Fares.

b) Students fare-----Domestic -50% discount, international-25% discount

c) IAC Discount Fares: These include Armed Forces, Teachers,

Blind persons, Cancer patients, etc.

BOOKING AND CANCELLATION:

Booking: The first practical approach to any reservation request is to be able to book on a flight. Always first check:-

1. Flight operating between the two points and their flight number.

2. Days of operation

3. Routing and stops it makes.

4. Class of Travel Available.

For reservation of flight, one must be familiar with:

1. The city/Airport codes

2. Reservation Codes

3. Special Request Codes.

Cancellation: It is very important to know and make passengers aware of the cancellation rules each particular Airline would apply.

Postponement of the journey is treated as a cancellation and rebooking charges are made according to the schedule.

SPECIAL SERVICES:

While making a reservation you could also make request for special facilities which are available for your clients' specific needs to make the journey a pleasant one. These are:

1. Meal Request: Vegetarian/ Non-Vegetarian,

2. Special Seat Assignment i.e. Window, front, back, etc.

3. Wheel Chair or any other type of assistance,

4. Infant Crib, etc. and

5. Unaccompanied minor.

INTERNATIONAL TICKETING

All Travel Internationally is dealt in this department. Because of the enormous number of cities and Airlines involved along with countries the working is more complex. Yet, the basic procedures and steps remain the same. For Rail bookings also it is must to know the railway timetable and procedure to book tickets.

TOUR OPERATOR

Tour Operator is a person who provides information, plans and coordinates travel with various agencies to create a package or service. At the same time he also **ensures smooth operation of the tour**. He can thus, also be called a Tour/Travel consultant or Tour Co-ordinator.

The tour operator, may or may not necessarily have any product of his own but act as an intermediary to tailor a package to meet the needs of a traveller. In fact, a tour operator plays an important role in organising explorations, research expeditions and holidays.

The Tour Operation involves the following:

1. Information of the area of operation i.e. in depth knowledge of the places of interest, the accommodation, transport facilities and other logistics required for planning a tour.
2. Planning of a tour in the most efficient manner.
3. Co-ordination with allied industries or services such as hotel reservations, airline, rail or road transport reservations. Local assistance, guides, etc.
4. Operations of tour mean **a close monitoring of the tour** i.e. all that is packaged together is working in smooth co-ordination. **In case of break in the circuit an alternate is to be organised with least inconvenience to the client.** This is another vital segment in the planning and operation of a tour.

There are different kinds of tour operators:

1. **Individual/independent** tour operator.
2. **A Travel Agency which also functions** as tour operate.
3. **In house Tour Operators** like an airlines doing the functions of tour operator also.
4. **Incentive Travel Agencies** who deal only with the sponsors and not with individual clients.

There are three broad classifications of Tour Operators according to the functions performed.

1. **Inbound**: who handles tours coming into the country from overseas is called an **Inbound Tour Operator**.
2. **Outbound**: who operates tours to other countries is called an **Outbound Tour Operator**.
3. **Domestic**: who handles tours of people of same country for travel within the country is called a **Domestic Tour Operator**.

In each of the above classification there are two categories:

1. **Wholesaler**: who plans the tour, puts a package and markets the tour.

2. **Retailer:** who sells the tour to the passengers. He is normally the personal travel agent with whom the client is buying other services such as tickets, facilitation of passports and visa etc. The retailer is the **coordinator between the wholesaler and the client.**

PLANNING A TOUR

For Tour Operators, while working on a tour programme, it is important to consider the following matters:

1. **Interest:** Interest of the person for whom you are planning the tour is most important--- Planner must know if the theme is Sightseeing, Cultural, Religious, Historical (any particular period of history), Architectural, Wildlife, Trekking, Adventure sport or Leisure, etc.
2. **Time of Visit:** When the person wishes to visit. This is important for season, flights, tariffs etc.
3. **Duration:** Duration of the tour is important. This helps plan the tour including areas to be visited, shopping, entertainment, etc.
4. **Pace:** This is important as different nationalities and different age groups like to move differently. Some like to spend one day at each place awhile others like to spend two to three days or even more.
5. **Budget** This is important as this will determine the quality of hotels, the amount of travel and activity and other variables---meal, special party, theatre or shows, special visits etc.

Once we know the above parameters we need to find out:

1. The **proposed points of visit**, their location and accessibility by road, train and flights.
2. **Facilities available** i.e. types of hotels, local transport, local agent, telephones etc.
3. **Entrance formalities** and other rules.
4. Any permits if required and who will issue and what are the requirements.
5. **Any holidays during the period of the tour.** Since it may happen that the place of visit may be closed on that day. For example, most Museums are closed on Mondays.
6. **Fairs and Festivals.** This always adds to increasing the possibility of value to the tour. For Example, Goa Carnival, Holi, Urs at Ajmer or Gurgurab, etc.
7. Any **special event** taking place which can be included to enhance the usefulness of the visit like Book fair, handloom exhibition or a special crafts mela.
8. About the **time of operation** i.e. what is the season and any problems with it such as heat, snow, floods etc. One should also see **if accessibility is there** because, for example, a few important National Parks are closed for three to five months in a year and Ladakh cannot be accessed by road except between July and September, etc.
9. The **time taken to travel.** It is variable depending on the road conditions. For example a 100 Km drive may take in Gujarat 1.15 hrs, in Rajasthan 1.45 hrs. in Madhya Pradesh 2 hours and Himachal Pradesh 3hrs. The type of transport will also determine the travel time since bus is 20 to 25 per cent slower.
10. The **time required to visit** a monument, temple, National park or a particular event and the timings.
11. The **availability of guides** and what **languages** can they speak.
12. The **details of shopping**, etc.

Here we give you an example of planning a package tour.

Nature	:	Package Tour
Interest and	:	Forts and Palaces
Age –group	:	30-40
Budget	:	High
Time and Season	:	October (winter, peak season for tourism)
Number	:	Ten
Duration	:	One week (10 to 17 October)
Visiting Points/	:	Delhi, Jaipur, Agra and Gwalior
Destinations		
Pace	:	Delhi, Jaipur and Agra---- Two days each, Gwalior
Destinations		-One day
Modes of Transport	:	Delhi to Jaipur(Air) Jaipur to Agra (Air) Agra to Gwalior (Road) Gwalior to Delhi (Air)
Permits	:	Nil
Holiday	:	Nil
Hotel Range	:	5 to 3 Stars
Coach	:	AC. Deluxe at destinations.
Guides	:	Local at destinations.
Shopping	:	Delhi---- Janpath and Chandni Chowk Jaipur----- Johari Bazaar Agra ----- Kinari Bazaar
Gwalior-----Nil		
Entertainment	:	Delhi – Food Festival
Jaipur- Folk Dances,		
Agra – Theme diner, Indian Music		
		Gwalior----Nil
Meal Plans	:	Delhi, Jaipur, Agra – AP. Gwalior - Nil
Special Event	:	Textiles fair, Delhi.

After this exercise the next step is to look for information on these aspects. For Example, flight timings, availability of guides, coaches, accommodation etc. and accordingly prepare the itinerary for each day.

MARKETING MATERIAL:

A Tour Operator has to prepare marketing material for selling the product. This has to be well thought and carefully planned. This will reflect the image of the company and your professionalism. This is done in various ways:

1. Providing updated information on the destination,

2. Printing tour brochures and confidential tariffs,
3. Preparing good itineraries,
4. Manuals and other reference materials of help,
5. Time tables,
6. Video cassettes,
7. Slide presentations,
8. Special shows,
9. Familiarisation visit.

SOURCES OF INFORMATION: GOVERNMENT AGENCIES

In India, Government is the largest sources of tourism related information. Through various agencies and at several levels, often overlapping, the government, both at the centre and in the states generates information that is directly relevant to the tourism industry in the country.

Below are the main agencies which are the most potent sources of tourism information.

1. **Department of Tourism:** Since tourism industry is one of the biggest foreign exchange earner, the government at the centre has a Department of Tourism to oversee the planning, development, promotion and administration of tourism in the country. At present the department runs twenty offices within India and sixteen in foreign countries. The department generates and disseminates tourism related information at three levels, viz. planning, promotion and development. Besides the domestic tourists, the department also caters to a large number of foreign tourists.

The main categories under which the information is available with the Department of Tourism are:

- a. **Compilation and Collections:** Several kinds of posters, booklets, pamphlets and leaflets are printed after collecting information from different organisations etc. They contain thematic as well as destinational information. For example the booklets, monuments, group of monuments.
- b. **Enquiries:** Attending to the specific enquiries of domestic and international tourists regarding tourism in India. Like a booklet on Hotel Tariffs.
- c. **Geographical and Topographical:** Tourist guide maps of individual towns as well as zonal/regional maps showing the sites, accessibility and accommodation.
- d. **Facilitation:** such as simplifying the procedural formalities for international tourists, regulations, etc.
- e. **Visuals:** Photographic and video documentation of heritage etc., for tourism purposes.
- f. **Data Base:** in respect of statistics and market research on domestic and international tourist traffic.

2. INDIA TOURISM DEVELOPMENT CORPORATION (ITDC)

Since its inception the Corporation has been involved in diverse kind of operations. These

include

- a. **Accommodation and Catering:** e.g. Hotel Ashok Network
- b. **Transport:** e.g. Ashok Travels & Tours
- c. **Publicity Services,**
- d. **Duty Free Shops:** Ten in number, at Delhi, Mumbai, Calcutta, Madras and Trivandrum Airports.
- e. **Entertainment:** e.g. Son-et-lumiere at Srinagar, Ahmedabad, Delhi. Also cultural festivals.
- f. **Conferences.**
- g. **Management Consultancy:** in Collaboration with State Governments, etc.

On each of these activities the Corporation generates information in the form of brochures, pamphlets and leaflets. It also uses visual media and produces video-cassettes on all the above activities. These can be procured from ITDC head quarter in New Delhi or even from the regional offices.

3. **STATE TOURISM DEPARTMENTS(STD)**

The State Tourism Departments and State Tourism Development Corporations have been set up by all the state governments and the governments of Union Territories. Yet the level of tourism development in the in the States/Union Territories has been uneven. Whereas the states like Kerala, Haryana and Gujarat and Goa have made rapid advances, there are states like Uttar Pradesh, Bihar and Orissa where tourism development has to be geared up.

In the generation of information most states have emulated the Department of Tourism and ITDC. You may, therefore, expect to get similar information, with focus on respective states, from the tourism offices of state governments.

4. **AIR –INDIA**

Air-India has a tourism Division which works on a four-pronged strategy, viz.

- a. Tourism Promotion
- b. Congresses and Conventions
- c. Adventure Tourism, and
- d. Corporate Communications.

The information on the above is published in brochures and directories aimed at promoting inbound traffic to India. It facilitates the tourist/traveller by making his visit value-oriented and pleasant. Air–India also undertakes research and analysis of traffic from tourism-generating markets and publishes profile of tourist markets and their trends.

5. **RAILWAYS:**

Railways are the latest entrants into tourism promotion activities. They have plans to develop tourism through the network of railway communications and appended facilities such as rest-houses/hotels, restaurants and waiting –rooms.

The main activities of the railways include the following:

- a. **Palace-on–Wheels:** The concept envisages first class accommodation with catering on

wheels. Initially the railways had run one Palace-on-wheels which consisted of renovated railway coaches used originally by the rulers of the princely states. Now, the railways have built new broad-gauge coaches and plan to run several Palaces-on-Wheels.

b. **Circular Tours:** The concept emanated principally from the traditional pilgrim routes touching important religious places in different parts of the country. Later the railways included many tourist places in the itineraries.

c. **Week-end Tours:** In the latest activity of the railways such places of tourist/general interest have sought to be connected by trains which can be visited and enjoyed in two days time. The package includes the cost of local transportation and boarding.

Details of these schemes along with reservation queries, availability of seats, train timings, etc. can be had from the nearest railway station or the headquarters of the railway ministry at Rail Bhawan, New Delhi.

CHAPTER VII
MANAGERIAL ECONOMICS
PUBLIC FINANCE

Introduction:

Public finance is one of the important branches of economics. It is the study of the financial operations of the Central and State Government. Public finance is the study of income and expenditure of public authorities. It implies the various activities undertaken by the public authorities regarding – raising resources of funds, their proper utilisation and achieving various objectives namely, rapid economic development, full employment, price stability, equitable distribution of income, etc.

Sources of public revenue: The income of the Government from all possible sources is called as public revenue.

Classification of sources of public revenue:

1. Tax revenue
2. Non-tax revenue

1. **Tax Revenue:** The revenue from taxes is called tax revenue. Tax is the most important source of revenue to the Government. ‘A tax is a compulsory contribution made by the citizens of a country to the Government without expecting any benefits.’

Tax is required to meet its general expenses incurred in the common interest of all. These expenses are incurred with any corresponding benefits to the tax payers. There are two types of taxes:

- a. *Direct taxes* and
- b. *Indirect taxes*

a. Direct Taxes: A direct tax is one which is paid by a person on whom it is legally imposed and the money burden cannot be shifted to any other person. Direct taxes are imposed on the income and wealth of individuals and organisations. Personal income tax, corporate tax, wealth tax, gift tax are important types of direct tax.

b. Indirect Taxes: An indirect tax is one in which a tax is legally imposed on one person but the money burden of the tax is shifted to other person (final consumer). Sales tax, excise duty, custom duty, VAT etc. are important types of indirect taxes.

2. **Non-Tax revenue:** The revenue obtained by the government from sources other than tax is called as non-tax revenue.

They may be classified as:

1. **Administrative Revenue:** Government gets revenue from the public for administrative

work in the form of fees, fines and penalties, special assessment.

a. **Fees:** Fee is collected by the government for providing certain services to the people for e.g. court fee, license fee etc. Generally, fees are charged to recover the cost of services. Those citizens who make use of certain special services by the government pay fee. Fees are an important source of non-tax revenue to the government.

b. **Fines and penalties:** Fines and penalties are levied on offenders of laws as a punishment. The main objective of the government is not to earn income but to prevent the offending of laws. Hence, they are an insignificant source of revenue.

c. **Special assessment:** A special type of compulsory contribution made by the citizens of a particular locality in exchange for certain special facilities given to them by the authorities is known as **special assessment**. For example, if the municipal corporation in a city builds road or makes arrangement for the supply of electricity and water in particular locality, the value of the property in that locality will inevitably go up. Therefore, the municipal corporation can levy a special tax on the residents in proportion to the increase in the value of the property, to cover a part of the cost of facilities.

2. **Profits of public enterprise:** Almost all countries have public enterprise involved in commercial activities. The profits of these enterprises are an important source of non-tax revenue to the government. The revenue collected in the form of profits is largely influenced by the manner in which the government determines the prices of goods and services it sells.

3. **Gifts and Grants:** Gifts are voluntary contributions made by individuals or NGOs to the government. This is done for a specific purpose such as relief fund, draught fund, earthquake fund etc. The volume of gifts is normally small.

Characteristics of Taxation: 1. Tax is compulsory payment; every citizen is legally bound to pay.

2. If any person does not pay the tax. He can be punished by the government.

3. There is no direct quid-pro-quo between taxpayers and the government.

4. Tax is imposed on income, goods, and services.

Progressive taxes help to reduce the inequality of income and wealth. Taxation affects production, consumption and distribution. It can be used as an effective instrument to achieve price stability.

PUBLIC EXPENDITURE:

Public expenditure is the most important part of the public finance. Public expenditure refers to the expenditure incurred by public authorities for the benefit of society as a whole. There are different views regarding public expenditure. Modern state is a welfare state

economy in which government has to play different role and perform a number of functions. Hence public expenditure has increased enormously to promote maximum social welfare.

Definition of Public Expenditure: Public expenditure is that expenditure which is incurred by the public authorities like, central, state and local government bodies to satisfy collective social wants of the people..

The expenditure incurred by the government on defence, administration, maintenance of law and order, economic development, welfare activities etc. is called as public expenditure.

Public expenditure is an effective measure to achieve certain objectives.

1. Public stability.
2. Full employment.
3. Maintenance of law and order.
4. Development of industries.
5. Creation of social goods.
6. Provision of education and health.
7. Development of transport and communication.
8. Protection from external aggression etc.
9. Promotion of economic stability.
10. Elimination of socio-economic inequalities etc.

CANONS OR PRINCIPLES OF PUBLIC EXPENDITURE

Public expenditure affects the economic life of the masses. It is therefore necessary to have some criteria or principles or canons by which we can judge whether any item of public expenditure is justified or not.

The following are the canons /principles of Public expenditure:

1. **Canon of Benefit:-** This canon implies that public expenditure should be incurred in such a way that, it promotes maximum social advantage. The ultimate purpose of public expenditure should be social benefit. Therefore, it is essential for the government to incur its expenditure not only for any particular individual or group of people but for the masses of peoples.
2. **Canon of Economy:-** The expenditure of the government should be economical. The government should see that the hard-earned money of the tax-payers is not spent on wasteful projects. It is also essential to check duplication of expenditure to avoid wastage of funds. Government expenditure does not produce any adverse repercussions on the will and power of the people to save. It should ensure optimum utilization of resources.
3. **Canon of Sanction:-**All government expenditure should be incurred only after the approval of a competent authority. This sanction is required for proper allocation of resources and further, to avoid the misuse of funds.
4. **Canon of Surplus:-** This implies that the government should create a surplus in budget and avoid deficit. An ideal budget is one that creates a surplus by keeping the public

expenditure below public revenue. This ensures the creditworthiness of the government.

5. **Canon of Elasticity:** This implies that there should be elasticity in public expenditure. In other words, there should be scope for changes in public expenditure as per the requirement of the economy.

6. **Canon of Productivity:-** This implies that public expenditure must be productive. As such a sizeable part of the public expenditure in an economy should be incurred for development purposes.

CLASSIFICATION OR TYPES OF PUBLIC EXPENDITURE:

1. Revenue Expenditure and Capital Expenditure:-

The expenditure incurred in revenue account of the budget is called **revenue expenditure**. Revenue expenditure includes expenditure incurred for current flow of goods and services and to maintain capital stock intact. Expenditure incurred on civil administration, defence forces, public health, education etc. is known as **revenue expenditure**. This type of expenditure is of recurrent type.

The expenditure incurred in capital account of the budget is known as **capital expenditure**. It is a long term investment expenditure done by the government. This expenditure helps to increase productive capacity of the economy. The expenditure incurred on building durable assets like high-way, dams, irrigation project, buying machinery and equipment is known as capital expenditure. They are non-recurrent type of expenditure.

2. Productive Expenditure and Unproductive Expenditure:-

The expenditure, which increases the productive capacity of the country, is known as **productive expenditure**. This type of expenditure helps to increase volume of output and employment in the country. The expenditure on establishment of public sector industries, infrastructure development, development of agriculture, roads, dams, railway, etc. is known as **productive expenditure**.

Unproductive expenditure is an expenditure, which does not increase productive capacity of a nation. The expenditure, which does not create an asset is known as unproductive expenditure. Expenditure in the form of defence, maintenance of law and order, interest payment, administrative expenses is known as **unproductive expenditure**.

3. **Transfer Expenditure and Non-transfer Expenditure:-** Transfer expenditure is that expenditure which involves the transfer of income from one person to another. It is distribution of money income within the community. Expenditure done by the government on pension, unemployment allowances, sickness benefit, welfare benefits, interest payment, public debt and subsidies is known as **transfer expenditure**. It does not involve creation of goods and services.

The expenditure done by the government to create output and income in the country is known as **non-transfer expenditure**. Such expenditures are incurred for buying or using goods and services, these include expenditure on defence, education, public health etc. Non-transfer expenditure uses productive resources and generates employment and income directly in the country.

4. Plan Expenditure and Non-Plan Expenditure:-

The expenditure incurred by the government for development schemes, which are outlined in the ongoing five year plan. Plan expenditure is one, which is provided in the budget. This expenditure is called as development expenditure because it promotes economic growth and development. For example, the expenditure incurred for the implementation of NREGS, SarvaShikshaAbhiyan and such other schemes.

Non-plan expenditure refers to that expenditure which is not included in the ongoing five-year plan. Non-plan expenditure does not have any provision in the budget. It consists of non-development expenditure and thus termed as non-development expenditure.

DEMAND AND SUPPLY ANALYSIS

Meaning of Demand:

Demand for a commodity refers to the quantity of the commodity which an individual consumer or a household is willing to purchase per unit of time at a particular price.

Demand for a commodity implies----

- A. Desire of the consumer to buy the product.
- b. His willingness to buy the product, and
- c. Sufficient purchasing power in his possession to buy the product.

The demand may arise from an individual, a household as well as a market. There are certain commodities which are generally demanded by individual consumers, e.g. demand for cigarettes, footwear etc. On the other hand, there are commodities which are demanded by households, like a refrigerator, a house, etc. When we are dealing with a good demanded by an individual we call it an **individual demand**, while if the good is demanded by a household we call it a **household demand**. When we consider the demand for a commodity by all the individuals/households in the market taken together, we call it **market demand or aggregate**.

DETERMINANTS OF DEMAND

We have mentioned above that, an individual household's demand for a commodity depends on the household's desire for the commodity and its capability to purchase it. The desire to purchase is revealed by tastes and preferences of the individuals/households. The capability to purchase depends upon his purchasing power which, in turn, depends upon his income and price of the commodity. Since a household purchases a number of commodities, how much quantity of a particular commodity the household chooses to purchase depends upon the price of that particular commodity and prices of the other commodities, besides his income. In addition, certain demand determinants are specific to a specific category of

goods. These determinants are called the explanatory variables, and the quantity demanded is called the explained variable. Understanding the relationship between these two kinds of variables is essential for successful management of business.

The important demand determinants are as follows:

a. Price of the Commodity: We often find that a consumer buys more of a commodity when its price declines, and vice versa. Thus, we can say that for a normal good the price of a commodity and its demand vary inversely, determinants other than the price of the commodity remaining constant. A fall in the price of a normal good leads to rise in consumer's purchasing power. He can, therefore, buy more of it (**Substitution Effect**). Similarly, an increase in price will reduce his purchasing power and, thereby reducing demand for the commodity (**Income Effect**).

b. Income of the Consumer: With an increase in income, a household buys increased amount of most of the commodities in his consumption bundle, though the extent of the increase may differ between commodities. Normally both the quantity demanded of a good and income of the household move in the same direction. However, in case of certain commodities, like foods, fruits, vegetables, etc. the amount demanded increases with an increase in income, but beyond a certain level of income the amount demanded of the good remains unchanged even when income changes. There are still some other commodities in whose case, beyond a point, the amount demanded even starts decreasing with further increases in income.

c. Prices of Related Goods: When a change in the price of one commodity influences the demand of the other commodity, we say that the two commodities are related. These related commodities are of two types: **Substitutes and complements**. When the price of one commodity and the quantity demanded of the other commodity move in the same direction (i.e. both increase together or decrease together), the two goods are called substitutes, e.g. apple and pears, tea and coffee, rail and road transport services etc. On the other hand, when price of one commodity and quantity demanded of the other commodity move in opposite direction, then the two commodities are said to be complementary to each other, e.g. bread and butter, pen and ink, petrol and automobiles, tea and sugar, etc.

d. Tastes and Preferences: We know it quite well that the change in tastes and preferences of a consumer in favour of a commodity results in greater demand for the commodity, while if this change is against the commodity it results in smaller demand for the commodity. For example, if jeans catch the fancy of consumers the firms selling jeans will have greater demand now than before. Opposite will be the case if jeans go out of fashion. Modern business firms not only try to adjust to changes in market trends and fancies, they also try to influence the market demand with the help of their sales campaigns.

e. Advertisement: A lot of money is spent on advertisement to influence the taste and preferences of the consumers in their favour. This increases their sales.

f. Expectations ; The consumers make two kinds of expectations:

- a. related to their future income; and
- b. related to future prices of the good and its related goods.

In case the consumer expects a higher income in future, he spends more at present, and thereby the demand for the good increases, Opposite will be the case, if he expects lower income in future. Similarly, if the consumer expects future prices of the good to increase, he would rather like to buy the commodity now than later. This will increase the demand for the commodity. Opposite holds good, when it is expected that prices in future will come down.

THE LAW OF DEMAND;

Law of demand states that higher the price lower the quantity demanded, and vice versa, other things remaining constant, other things remaining same. That is, given prices of the related goods, income and tastes and preferences of the consumer, if price of the good increases its quantity demanded decreases, while if price of the good decreases its quantity demanded increases.

MEANING OF SUPPLY:

Supply of a commodity refers to the various quantities of the commodity which a seller is willing and able to sell at different prices in a given market, at a point of time, other things remaining the same.

An aspect of supply which needs attention is that supply is related to scarcity. It is only the scarce goods which have a supply price; the goods which are freely available have no supply price.

THE DETERMINANTS OF SUPPLY

1. **Price of the good**: Since higher money income is necessary to induce producers to produce more, the amount supplied therefore increases when producers get a higher price for their product.
2. **Prices of other goods**: Change in the prices of other goods in the market also has influence on the supply of a commodity. For example, if the price of good Y rises, the producer of good X will start considering switching his production to good Y as it has become relatively more attractive to produce Y now than before.
3. **Prices of factors of production**: We know that different commodities use factors in different proportions. An increase in the price of a factor, say labour, may lead to a larger increase in the costs of making those commodities that use relatively more labour, but only a smaller rise in the costs of producing those commodities that use a small amount of labour.

This will lead to changes in the relative profitability of different commodities and thus their amounts supplied.

4. **Producer's objectives:** There can be many objectives of a firm, like profit maximisation, sales revenue maximisation, goodwill etc. Amount supplied of a commodity is often influenced by the specific objective of the firm. A sales revenue maximiser or a goodwill maximiser will sell greater amount of the good than a profit maximising seller.

5. **State of technology:** A change in technology may result in lower costs and greater supply of the good.

THE LAW OF SUPPLY:

The law of supply states that 'other things remaining constant', more of a commodity is supplied at a higher price and less of it is supplied at a lower price.

This proposition follows naturally if we assume that producers are interested in money incomes. Higher revenue from sales is necessary to induce producers to increase their supply of the commodity. The element "other things remaining the same" means that determinants other than the price of good X remain unchanged.

CHAPTER 8

FUNCTIONS OF SALES MANAGEMENT

INTRODUCTION:

Sales management is the term applied to the process of distributing goods from the producer to the ultimate user. It consists of advertising and selling, storing, transporting and handling and financing or risk - taking.

The objective of sales management is not merely to sell goods to distributors but to get them consumed or get them into use. The responsibility of the sales manager therefore extends much beyond the selling goods. He has to study properly the distribution channels and satisfy himself that goods are available in the market to the ultimate consumers at the time and place they want the goods.

FUNCTIONS OF SALES MANAGEMENT

The functions of sales management may be outlined as follows:

- Sales policy, planning and organisation
- Price fixing
- Avoidance of business risks
- Advertising and sales promotion
- Scientific salesmanship, and
- Control of sales costs.

These functions are described in detail in the following paragraphs.

- **A) Sales policy:** A sound sales policy is the edifice on which the very success of a company depends. It means laying down of certain principles for the guidance of the selling operations of a business. The sales policy of a business should cover every aspect of marketing, viz., advertising and sales promotion, selection and training of salesman, price – fixing, public relations, class of customers to be served, market research, terms of sale, servicing, channels of distribution etc.
- **Sales Planning:** After formulation of the sales policy, the methods for its implementation on the distribution side are to be planned. It is technically known as sales planning. It stands for the planning of a suitable programme to be followed, selection of the proper methods to be adopted and setting up to definite aims and targets before the sales organization, so that the sales policy may be efficiently

implemented.

- **Sales organization:** Last but not the least, an efficient and well-knit sales organization is an essential sine qua non for the effective implementation of the sales policy and programme. Every step in sales organization must be properly planned and there should be coordination among all the phases so as to increase the efficiency of the organization. Appointment, training and control of sales force are not everything in sales management. It is an extremely wide discipline of general administration in an industrial concern; and for the proper execution of the various functions enumerated above.

II) Price fixing: Price fixing is a ticklish problem and the sales manager must take into consideration a number of factors before determining the price of any commodity. The factors affecting price policy vary from industry to industry and from one concern to another. However, there are certain principles which must be considered in all cases. They are as below:

- **Cost of goods:** The first and the foremost factor which the sales manager should take into account is the 'Cost of the goods'. As a rule, no businessman will like to sell his goods at a loss; although circumstances may arise when it may become necessary to sell at a price below the cost of production. But ordinarily, the selling price of a product must cover the cost of manufacture, including material, labour and overhead, as well as administrative and selling expenses.
- **Charges made by rival producers:** Another important factor to be considered while fixing the price of a commodity is the price charged by revival producers for similar goods. Efforts should also be made to know what it costs them to produce. In other words, it means that an attempt be made to know the conditions of the production under which the commodity is made revival producers.
- **Nature and condition of demands:** While fixing the price of any commodity, the nature and conditions of the demand should also be carefully studied, number of prospective businesses has failed because they ignore important issue. The demand should be studied not only in general way as to its elasticity or inelasticity but with special reference to the 1) Peculiarities of prospective purchasers;(2) Prevailing Psychology;(3) Standard of living;(4) Customs and (5) Prejudices.
- **Quality and Service:** To the above consideration may be added the question of quality and service which should also be borne in mind while determining the price of a commodity. Quality may be tangible or intangible as far as it relates to the sale of a particular commodity. What people can be made to think of a product is frequently far more effective in influencing its selling price than the real quality as measured in terms of usefulness or durability.
- **Other considerations:** In addition to the above consideration, three more factors

should be borne in mind while determining the price policy:

- Certain types of seasonal goods can be sold at a price which is apparently very high as compared with the actual cost of production due to unusual risk undertaken by the seller.
- Sometimes the customary or possible rates or turn over affects the price policy.
- Similarly, if the terms of sales are long, the price must be increased to cover up interest on capital blocked up and the risk.

III) Business risks and their avoidance: Business is not a bed of roses; it is beset with many risks. Hazards in commerce and industry are as difficult to predict as those encountered by the farmer. Business risks are sometimes classified according to the nature of the cause of the potential loss. From this standpoint, business risks are of two types:

- **Physical Hazards:** When the potential loss arises from the location exposure, occupancy, structure of any other factors that is specifically related to the material side, it is known as physical hazards. E.g. Earthquakes, Floods, Tornados, Ice, lightning, fire and similar destructive forces are known as physical hazards.
- **Moral Hazards:** Risk arising from possible damages by people through dishonesty, carelessness, insanity sabotage, and the like are known as Moral hazards. Moral risk does not necessarily involve moral turpitude although this may be a factor. Moral risks are primarily psychological in nature.

IV) Advertising and sales promotions: Advertising and sales promotions are two most important functions of the sales department. We shall discuss these one by one.

What is advertising?

Advertising is a pivot of modern trades and commerce. It is often defined as printed salesmanship and is daily receiving fresh recognition as the greatest insurer of the quickest, cheapest and most efficient selling of any commodity or service. Advertising is an art of making known to the present and prospective customers the existence of services and commodities meant for sales. It is any paid form of non-personal presentation and promotion (Communication) of ideas, goods or services by an identified sponsor.

Advertisement and salesmanship distinguished

- Advertising is non personal and indirect means of communication whereas salesmanship is personal involving direct personal face- to-face communication.
- Advertising is mass communication whereas salesmanship is individual communication.

Advertising and publicity distinguished

- Advertising must be carried on by an identified sponsor; Publicity need not have identified sponsor.
- Advertising is a paid form of mass communications; publicity is not a paid form of communication. In other words, paid publicity is advertising.

Objectives of advertising

The broad purpose of advertising is to induce sales. Specifically, its objectives :

- To inform: Advertisement is really an announcement that a particular product or service is available.
- To persuade: The objective is to induce the market to exercise a preference for the advertise product as against competing products.

Media of Advertisement

The sales message of the advertisement can be conveyed to the public in a variety of ways. Some of the important media of advertisement may be described as follows:

- **Newspaper:** Advertisement may be published in daily or weekly newspaper. It is a very common method of publicity particularly for products of daily use. Because of their large circulation, newspaper- advertising can reach millions of persons at an insignificant cost. Repeat advertising is possible. Periodical change in size and contents is also easy. Effectiveness of advertising can be estimated by having keyed advertisement. Newspaper offer promotional assistance. They are the best source of market information. However newspapers have short span of life. We cannot have coloured and attractive advertisement. They are of no use for the illiterate mass.
- **Magazines, periodicals and journals:** Like newspapers these also serve the purpose of advertisement. They are expected to give better results than newspapers because they are preserved for a longer time. They are best for coloured and attractive advertisement. Selective appeal is possible. Articles of commerce serving a particular purpose should better be advertised in particular journals, e.g. medicine in medicine journal. However, they need advanced planning and do not facilitate repetitive advertisements. They have limited circulation. They have higher unit cost per contact.
- **Circular letters:** The advertisement matter can also be drafted in the form of letter which is printed in large numbers. These circular letters are then forwarded to selected parties who in the opinion of the advertisers may be eventually induced to become his customers. It can provide detail information

about the product or service, creating lasting impact. Its effectiveness is measurable. But this media is costly in terms of prospects reached. We have considerable difficulty in securing and maintaining up –to-date mailing list. It is not a good means of mass communication.

- **Cinema or film advertising:** Audio visual techniques has maximum impact on audience. Sight and hearing both are employed for communicating our message. But here effectiveness cannot be measured. Waste in film publicity may be considerable.
- **Radio Advertising:** It has great advantage in flexibility of timing. Announcements can be made very quickly. It has a very wide appeal and is suitable even for the illiterate. Through the medium of varying wave bands, advertisement can be made for the local or national market. Further, as the radio programmers can be tape-recorded, advertising is amenable to repetition at the lesser cost. However, radio cannot permit selective advertising. It cannot give detailed information. It has low memory value. Its cost is high. Moreover, the message may be lost if the radio is not tuned.
- **Television advertisement:** It has all the advantages of radio, viz., sound and explanation, plus the additional advantage of sight. It can appeal through ear as well eye. Product demonstration with explanation is feasible. T.V. reaches the audience almost like personal face-to-face contact. It is really a wonderful means of mass communication for creating mass market. Businessmen can also sponsor attractive programmes (like films, “Ham Log’, ‘yahi to hai zindgi’etc.) on T.V. there is a rare combination of salesmanship and advertising. However, advertisement on T.V. is a costly project. It has limited market coverage. The cost of producing TV shows is exorbitant.
- **Other forms of advertisement: it may include the following:**
 - Posters: The advertisement matter may be printed in big characters usually in coloured ink and on large pieces paper, and pasted in prominent places on the walls of buildings or on boards placed on high poles, so that anybody passing on the street may cast a glance at them. It is suitable for cinemas, theatres, etc.
 - Direct mail advertising: It may include the issue of Date Cards and Calendars, Booklets, Catalogues, etc. Personal appeal can be made through this media.
 - Mural or outdoor advertising: It may include painted boards in publicplaces and vehicles, electric switch lights, neon sign, etc. Mural advertising has long life. It has general and wide appeal.

- **Hoardings:** Here the product or a few words about the product written in big characters are hoarded, i.e. kept for display for a considerable length of time in important places or thoroughfares.
- **Delivery vans:** Many firms own delivery vans of their own. Both sides of the van contain in bold type of several colours the name of the manufacture and his articles.
- **Window dressing:** In the case of retail trade, special emphasis is laid on window dressing which often induces action on the part of buyers.
- **Participation in trade fairs, exhibitions, etc.**

SALES PROMOTION

What is sales promotion?

Sales promotion is an important tool of management which lubricates the marketing efforts. In the words of George W. Hopkins, “Sales promotion is an organised effort applied to the selling job to secure the greatest effectiveness for advertising and for dealers help.”

- **Packaging:** The packaging of a consumer product is of a paramount importance in the marketing plan. Certain essential of idea packaging may be narrated as follows : (i) the package must attract attention; (ii) the package must tell product-story; (iii) the package must build confidence; (iv) The package must look clean and sanitary;(v) The package must be convenient to handle to carry out of the store and to use;(vi) The package must look like good value;(vii) The package must look like a fast seller;(viii) The package must deserve a preferred display;(ix) The package must minimize the clerk’s time;(x) The package must be convenient;(xi) The package must prevent spoilage during the selling period;(xii) and the package must resist soiling.
- **Premiums:** At the time of the purchase of some specific commodities, the premium is given to the buyer the way of either supplying and article or providing the opportunity to purchase an article at greatly reduced price through coupon, stamps as well as tokens. Premiums go to stimulate the sell of the commodity and pave the way for introducing new brands in the market.
- **Samples:** The distribution of sample is also an effective device of promoting the sales, because the consumers are provided with an opportunity to examine the product and to see its merits before purchasing the same.
- **Fairs and exhibitions:** Display of goods in fairs and exhibitions also leads to sell promotions. These days’ fairs and exhibitions are held at the national and international levels also. Not only sales promotions and buyers educations in

the use of products take place in these exhibitions, but significant ideas are also obtained by the industrialist for innovating their products or services to the benefits of all concern in any business.

- **Public relations:** These days public relations activities are gaining popularity as a part of sales promotions. Public relation aims at enlisting good attitude and favourable opinion of the general public towards the enterprise. For instance, business enterprises may convey their greetings and thanks to the public through newspapers and other periodicals for enhancing prestige, reputations and goodwill of the business.
- **Sales and contests:** Are the life – blood of a wide –awake sales organisations and when planned with the pains taking detail given to merchandise and advertising programmes, will result in immediate increase in business.

PERSONAL QUALITIES OF A SALESMAN

Personal Qualities of Salesman. A successful salesman must possess some inborn attributes and personal qualities they are as follows:

- **A Cheerful disposition:** He should always remain cheerful, smiling, gay and friendly. Feelings of sadness, indifference or anger should not be entered. It is the brightly cheerful salesman who smiles his way into the customer's favour and who is able successful to lead on the customer from purchases to purchases.
- **Ambition:** - A salesman must always be 'ambitious'. Ambition is essential in any person intended for a course of training of any description. The desire for promotion and progress is the chief motive power and guiding force. If the desire is absent, nothing can happen.
- **Aptitude:** Possession of the natural aptitude for selling is a valuable asset. To a person having this aptitude, salesmanship will be a source of never failing fascination. Any industrial psychologist will tell you that uncongenial work is far more exhausting to the individual than that which is congenial. The young apprentice whose heart and soul is in selling does not watch the clock and prey for closing time to come.
- **Resourcefulness and enthusiasm:** The person who realises the importance of the work and trusted to him, must display energy and enthusiasm in order to properly do

his job. Resourcefulness is properly regarded as an inborn aptitude, whereas enthusiasm may come by cultivation.

- **Patience and tact:** Patience is the salesman's asset. It is extremely essential during trying circumstances. In the presence of some difficult customers, it becomes difficult for the salesman to maintain balance. It is the patience which helps him.
- **Politeness and good taste:** Courtesy costs nothing, but wins everything. The salesman must be polite and courteous to customer and must show good taste. Good taste is valuable when the salesman is called upon to advice or assists the customer in making his choice.
- **Good health and knowledge of goods:** Robust health and pleasing personality are also valuable assets for a good salesman. Further, a general knowledge of economic and commercial subjects is also essential for a successful salesman. The dress of a salesman creates the first impression; hence it should be neat and tidy.
- **Personality:** In order to get a purview of a salesman's composite personality, we give a list of the eleven' characteristics' of a successful salesman, as commonly indicated by psychologists;(i) emotional stability; (ii) self-sufficiency;(iii) Objective mindedness;(iv) Dominance;(v) Self-confidence;(vi) Social – mixing qualities;(vii) tact and diplomacy;(viii) sizing up people;(ix) sense of humour;(x) sales aptitude;(xi) mental ability.

- **Nervous Customers**

For customers who are	You will need
Tired and cross	Patience
Fussy and nervous	Consideration
Excitable	Quiet manner
Impatient	Dispatched
Unreasonable	Calmness

- **Dependent Customers**

Timid and sensitive
Undecided
Old and deal people
Children
Foreigners

Gentleness
Decision
Sympathy
Power to think for them
Helpfulness

- **Disagreeable customers**

Sceptical
Inquisitive
Talkative
Insulting

Candid manner
knowledge
Courteous brevity
Self control

- **Trying Customers**

Critical
Indifferent
Silent
Bargain hunters

Knowledge of goods
Tact
Perseverance
Convincing manner

- **Commonsense Customers**

Pleased
Intelligent

What they expect
Efficient service

