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EDITORIAL

BY P. B. BARUA

Dear Reader,

It is my pleasure to put the first issue of Silk Route into your hands! Silk Route is jointly published by London East Bank College (LEBC) and the Center for South Asian Studies (CSAS) UK. It is available to readers in the UK and abroad, particularly to those in South Asian countries. It aims to offer a research vehicle for our students, faculty and guest lecturers. We also want to attract researchers whose work principally focuses on South Asia based commerce, technology and innovation, public policy and inter-statal relations. Therefore, we are not restricting Silk Route to academia. Instead, we are keen to invite the wider professional and politically interested communities to share their experiences, expertise and contribute to bridging the gap between the current and future research leaders. I appreciate the work of all the contributors in this inaugural issue and I am indeed grateful to them. We are committed to demonstrating our best effort to encourage more researchers to use Silk Route to carry their scholarly ideas. We invite contributions that map the changing world of trade and commerce and the regulatory rules that govern these transactions in South Asia. LEBC staff, guest lecturers and external resource persons are invited to use this journal as a vehicle for their scholarship. Readers will find articles from academia, the Central Bank Governor from a Commonwealth Country and representatives from Industry in this the first issue of Silk Route.

I congratulate every one associated with this publication but my note would remain incomplete if I did not thank Emeritus Professor Philip A Thomas, Sarat C Das and Krishna Sharma for their hard work that made this journal possible.

COMMODITY PRICE VOLATILITY AND ECONOMIC DIVERSIFICATION, FINANCIAL DEVELOPMENT, INCLUSIVE GROWTH IN LICS: A POLICY MAKERS' PERSPECTIVE

BY DR ATIUR RAHMAN

DR. ATIUR RAHMAN,

Currently the Governor of Bangladesh Bank, the central bank of the country, is a development economist. He obtained his Ph.D from SOAS (UK) helped by a Commonwealth scholarship. His thesis published under the title "Peasants and Classes" became a major source of academic reference. Dr Rahman has also played a pivotal role in the microcredit revolution in Bangladesh pioneered by Mohammed Yunus' National Task Force on Poverty Eradication.

ABSTRACT:

The paper engages with a policy maker's perspective on commodity price volatility and various approaches to cope with the same. The author discusses how these various approaches fall under the inclusive growth strategy adopted within the realm of financial development in Bangladesh.

Bangladesh has been steadily growing at about 6% plus per annum for the past decade and is approaching lower middle income status. Moreover growth has been inclusive with little change in inequality indicators over this period. As a result poverty has halved in one generation – from 59% in 1990 to 31% in 2010. However, this impressive progress would have been even greater had there been less global commodity price volatility, especially food price volatility.

Cross-country evidence reveals that food price pass-through in Bangladesh is one of the highest in the world, with domestic food prices closely tracking global, and more specifically, Indian prices. End August 2011 prices in Bangladesh of wheat flour, soybean oil and sugar in Bangladesh stood 18, 45 and 38 percent higher respectively than at the same time of the preceding year.

Being an importer of fuel oils Bangladesh faces direct balance of payment pressures from oil price spikes, immediate pass-through into domestic prices raises domestic inflation, while delayed pass-through raises fiscal subsidy burden. Food price spikes are particularly hurtful for the urban poor and lower middle class and in rural areas for the extreme poor who have little land to grow their own food. The need to subsidize subsistence consumption of the low income population segments widens fiscal deficits. Reducing or limiting vulnerability to commodity price volatility remains therefore a priority, to protect purchasing power of consumers and competitiveness of domestic output.

Approaches of Bangladesh in coping with commodity price volatility:

There are three approaches that we are taking to deal with volatility. They relate to pro-poor growth, economic diversification and strengthening safety nets.

a) Sustained high overall economic growth is being pursued consistently, to reduce vulnerability to price volatility by enhancing availability as well as affordability of consumption and investment goods. Government's programs and policies seek to accelerate inclusive economic growth, focusing public expenditure outlays in developing the social and physical infrastructure, crowding in private investments in output activities. The government's inclusive growth efforts are being supported by Bangladesh Bank's (BB's) financial inclusion drive engaging banks in reaching out with credit and other financial services to productive pursuits in under-served areas like small landholder/tenant farming, SMEs, renewable energy and other environmentally benign ventures.

To facilitate cost effective reach out by banks to these newer client segments, branch based financial service delivery is being supplemented by mobile phone/smart card based remote delivery, as also by on-lending /co-financing partnerships of banks with locally active regulated Micro Finance Institutions (MFIs). Underpinned by embracing of Corporate Social Responsibility (CSR) obligations in corporate goals and objectives of all banks and financial institutions, the financial inclusion drive has successfully engaged all commercial banks (state-owned, private and foreign) in agricultural financing; more than nine million new bank accounts of rural farmers were opened in FY11, and around a third of FY11 agricultural financing of private banks took place through bank-MFI partnerships.

Consequent to these sustained, concerted efforts poverty decline has maintained pace; indicated inter alia by buoyant uptrend in rural wages. Annual real GDP growth rate is on rising trend, coming close to seven percent in FY11 and poised to go up further in the coming years. Social development indicators of Bangladesh are in several respects better than in her faster growing neighbors. Stocks of public debt and private sector debt at 37.8 percent and 43.3 percent of FY11 GDP indicate moderate, sustainable leverage levels in the economy.

b) Diversification of domestic production base is being accorded high priority towards reducing vulnerability to import price volatility. Alongside increased extraction of natural gas and coal resources, development potentials in solar, biomass and other renewable energy resources are being explored and exploited. Besides food grains, output growth in dairy, poultry & fishery produces, spices, pulses, oilseeds, sugarcane etc. are being promoted and supported to bring down import dependence. the textiles and apparels export sector expanded backward linkages over the recent past, substantially reducing and shifting import dependence from fabrics and yarns to raw cotton and other textile fibers.

c) To mitigate shocks from sharp price spikes in essential food grains the government maintains strategic reserves of public stocks of rice and wheat, procured internally and externally. The South Asian regional forum SAARC has a resolution of maintaining a regional strategic food grains reserve; but its operational modalities remain yet to be thrashed out. These stocks are used to stabilize prices as well as to distribute to the extreme poor through targeted transfers. In addition to food based transfers, the government has significantly increased its allocation for cash based safety net programs.

Having outlined these three strategies let me also point to some limitations. The scope of efficient output diversification is of course limited, feasible only in unexploited natural resources (minerals, fuels etc.) and in commodities with some comparative advantage in domestic production. Import dependence and the attendant vulnerability to price volatility will therefore persist for many commodities that are not competitive for domestic production. Maintaining substantial strategic reserves in commodities is costly and not easily affordable for LICs like Bangladesh; mistimed procurement steps for the strategic reserves can actually accentuate instead of dampening price spikes. It is therefore important that adequate and effective market disciplines are in place in global trade practices in commodities, to limit volatility and to mitigate its adverse effects. Let me turn to this issue now.

Mainstream global financial system in aberrant role of stoking commodity price volatility:

Commodity futures markets originated with ostensible purpose of mitigating shocks of price volatility from climatic adversity related and business cycle related supply shocks. In the recent past decades excessive expansion of global liquidity from loose monetary policies in some major advanced economies led their banks and financial institutions increasingly into position taking and hectic trading in commodity futures. There are several studies (e.g., Chapter V, Trade and Development Report 2011, UNCTAD) clearly brining out that this engagement of banks and financial institutions in commodity futures ('financialization' of commodity markets) for speculative profits is actually stoking up rather than mitigating commodity price volatility.

Given that the speculative profits from commodity futures positions come at the expense of hard up consumers or of their governments supporting subsistence consumption, LICs like Bangladesh view this role of banks and financial institutions in commodity futures as altogether unsavory and undesirable. The first best remedial option would be the reversal of super loose monetary policies in USA and Europe; whereupon rising interest rates would pull banks and financial institutions back from speculative position taking in commodity markets to their role of traditional lending. Neither USA nor Europe being now in a position to tighten monetary policies, there is a compelling case for the second best option of global imposition of the Volcker Rule of prohibiting banks and financial institutions from proprietary trade of position taking in commodity futures.

It is a common knowledge from the run up to the global financial crisis and its aftermath it is amply evident that purely private gain oriented amoral corporate goals and objectives of the mainstream banks and financial institutions in the global financial system have led financial innovations astray; into obsession with quick big gains from commoditizing, mislabeling and misselling opaque packages of credit and its associated risks; traditional relationship based lending giving way to mechanical and impersonal credit score based lending to be quickly securitized and offloaded to capital markets. This frenzy ended up overleveraging and bankrupting households and businesses, leaving productive and employment generating small businesses starved of credit. Complaint about banks in mature advanced economies not financing job creating small businesses are now frequent and loud, indicating financial exclusion of lower income population segments and their productive pursuits. Large globally active banks simultaneously declaring huge profits and massive job retrenchments are similar recent symptoms of amoral social insensitivity in these institutions.

The way forward towards commodity price stability and financial stability:

In this global context the financial development vision adopted in Bangladesh is one of the mainstreaming financial inclusion within the commercial banking system promoting and supporting inclusive growth with fuller financial inclusion of all productive pursuits in all population segments, while discouraging growth in lending for speculative profit seeking in unproductive pursuits.

At Bangladesh Bank we embarked on the process of ingraining this vision of financial inclusion in the financial sector by first issuing guidance for mainstreaming of Corporate Social Responsibility (CSR) obligations in institutional goals and strategies of all banks and financial institutions. With this alignment and orientation of corporate ethos in the financial sector with their social and environmental obligations, banks are now spontaneous and proactive in innovating efficient, cost effective modes of reaching out to the excluded and underserved population segments.

We believe that the approach of financial development and inclusive growth adopted in Bangladesh is of broader relevance beyond her borders; and that global success in maintaining broad-based inclusive economic and social growth along with commodity price stability and financial stability hinges urgently on similar reorientation of corporate goals and objectives of all banks and financial institutions in all jurisdictions, from sole pursuit of purely private gains to proper alignment with their social and environmental obligations.

The research paper is an extract of the speech delivered by Atiur Rahman in IMF-High Level Seminar on "Commodity Price Volatility and Inclusive Growth in LICS" in Washington D.C., on September 2011.

A CRITICAL EXAMINATION OF UNDERLYING FACTORS OF O2 ARENA'S SUCCESS AS AN INTERNATIONAL EVENTS VENUE

BY JEWEL PAJANOSTAN

JEWEL PAJANOSTAN,

WHO HAILS FROM PHILIPPINES WITH A DEGREE IN PSYCHOLOGY, IS CURRENTLY IN THE VERGE OF COMPLETING HER MBA PROGRAM AT UNIVERSITY OF WALES, UK. PAJANOSTAN EARLIER STUDIED MANAGEMENT AT LEBC.

ABSTRACT:

The O2 Arena, a struggling lost making unit till early 200, came to sell every inch of its space, hosting anything from a musical rendition to historic recreation or a ceremonial spectacle to an exhibit. The paper aims to find answer engaging with O2's postevent activities, the way the event organisers plotted themselves in a pecking order, an exercise proved to be useful to prepare a report and action plan. During this process the emphasis is on event evaluation as it is characterized by order and planning, a systematic determination of merit, worth, and significance of event organizers using criteria against a set of standards. The stratagem of evaluation looks at original objectives, at what was accomplished and how it was accomplished. In O2 situation it can be formative, that is taking place during the long span of O2 as an organization, with the intention of improving the strategy or way of functioning of the project or organization. Such a process can also be summative, drawing lessons from a completed project or an organization that is no longer functioning. Also, the paper intends to learn the feedback system of the events through a mechanism of 'feedback loop' as such a causal path leads from the initial generation of the feedback signal to the subsequent modification of the event. In its methodology the research draws its sustenance from a huge pool of primary and secondary data, and particularly engages with Likert Scales and Semantic Differential within the scope close-end questionnaire and a plethora of innovative open-end questionnaire models.

Overview:

The O2 Arena, originally known as The Millennium Dome, colloquially or simply The Dome, hosts a wide array of events. The sprawling site opposite Greenwich in London is almost always selected over bids from Derby, Birmingham and Stratford for mega events. Only a few years ago it was inconceivable. Today, O2 Arena sells every inch of its space; the venue's range is impressive: leisure events (anything from a musical rendition to historic recreation), cultural events (ceremonial spectacle to an exhibit on art and heritage) or organizational events (political and charitable show to commercial product launch or exposition).

The Dome is a massive enclosed area, canopy-shaped, intricately designed to showcase theater, musical performances, or sporting events. The prospect of turning it into a football stadium was apparent as it was composed of a large open space surrounded on most or all sides by tiered seating for some 23,000 spectators. The salient feature of the Dome is that the event space is the lowest point, allowing for maximum visibility from anywhere within the enclosure.

Probably the world's most popular dome the O2 Arena was built on the Meridian Line in Greenwich to celebrate arrival of the new millennium. Any visitor could book tickets for major concerts in the 20,000 seater venue, apart from accessing the mega sporting events and spectacle on the ice rink. The Dome houses an 11-screen movie complex -- the Greenwich vue cinema with biggest screen in Europe.

In terms of space and electric atmosphere The Dome is comparable to Pasadena's Rose Bowl, which is more appropriately called a stadium. In the discourse of the event management it is the event which characterizes a venue either as a stadium or arena. A sporting spectacle such as basketball and ice hockey are typically played in an arena as opposed to rugby or gridiron hosted at stadiums.

The O2 Arena possibly can be called a domed stadium or an indoor stadium. Since the term arena is also coined loosely to refer to any event which either literally or metaphorically takes place in such a location—often with the specific intent of comparing an idea to a sporting event – O2 Arena evokes the memories of a string of events that have taken in the venue over a decade.

The O2 also has two spectacular multi-purpose indoor events spaces for live music performance and night clubbing. Special large scale events which cannot be held in the indoor venues are held in the piazzas -- The London Piazza, Peninsula Square outside the main entrance of The O2, and the area around the main entrance of the arena. The London Piazza has featured an exotic indoor beach, ice rink and dry ski slope. Among a host of special events at The O2 the biggest draw so far has been a training session with bollywood star Amir Khan.

The O2 arena is a massive capacity venue, primarily used for live music performance. It is located at the centre of The O2 and is the first American style multi-purpose arena in London, though drawing any parallel with anything American may sound little disparaging. The arena and its facilities are housed in an independent building within the massive dome structure. The arena has hosted multiple music and sporting events over a decade. In 2008, the O2 arena exceeded ticket sales for both Madison Square Garden and the Manchester Evening News Arena.

O2 arena knew it was not unusual to sell tickets through retail outlets. The Millennium Dome attempted this on a grand scale by using National Lottery outlets as a distribution channel to sell tickets. Inventory control and cash receipts are two areas that require special attention when using retail outlets for ticket distribution. Numbering of the tickets and individual letters of agreement with each outlet are the most efficient methods of control. The letter of agreement would include the range of ticket numbers, level of the tickets (discount or full price) and the method of payment. Depending on the size of the event, the ticketing can be crucial to the event's success and take up a significant amount of the event director's time.

Bowdin., Glenn. Events Management (Oxford: Butterworth-Heinemann, 2011) p 528

Aims

To validate how the principles of events management including various other social theories apply to the transformation of O2 from a loss-making unit to a substantive Arena How such a transformation of O2 confirms to the develop the amenable people's knowledge and application of management processes within events;

Literature Review:

This section would focus on a synopsis of literature and theories pertaining to the research objectives that would provide a clear idea about the planning stages of event, combining concepts and practical elements to inform operations processes which changed the fortune of O2 Arena. Postevent activities, such as collation of feedback, evaluation and consideration of legacy are also examined within the context of economic and social life of UK and Europe at large, as this is considered to be a vital aspect of events management and hence, utmost care has been taken to include this in the planning and operations module.

Postevent activities:

In O2 context it would include conducting a debriefing in order to re-convene the planning team to obtain feedback within a stipulated period of time following the event. A series of questions could be raised such as did the event meet its goals? What really worked and should be repeated, and what was unsuccessful? Is there a requirement for follow-up activities? If so identify these activities?

The postevent activities, plotting themselves in a pecking order, require to prepare a report and action plan. The task entails compiling feedback from 02 planning team, develop and submit an action plan and collect media clippings and other evidence of event coverage.

Further, the postevent activities also require to implement the action plan. O2 Arena would use what they have learned to craft additional events and follow-up activities. Because already have collected the names of agencies and individuals who attended the event.

The tasks also need to be drawn of against the people responsible the same and the due date of completion.

Feedback

In O2 situation the feedback would describe the situation when output from or information about the result of an event in the past will mould an occurrence or occurrences of the same event (or the continuation / development of the original event) in the present or future. When an event is part of a chain of cause-and-effect that forms a circuit or loop, then the event is referred to "feed back" into itself. Feedback loop is the causal path that leads from the initial generation of the feedback signal to the subsequent modification of the event

And the feedback signal is the information about the initial event that is the basis for subsequent modification of the event.

In event management which falls under the domain of social science the feedback loop to control human behavior participating in such an event involves four distinct stages: 1) Evidence. A behaviour must be measured, captured, and data stored; 2) - Relevance. The information must be relayed to the individual, not in the raw-data form in which it was captured but in a context that makes it emotionally resonant; 3) Consequence. The information must illuminate one or more paths ahead; 4) Action. There must be a clear moment when the individual can recalibrate a behavior, make a choice, and act. Then that action is measured, and the feedback loop can run once more, every action stimulating new behaviors that inch the individual closer to their goals.

Goetz, Thomas, Harnessing the Power of Feedback Loops
Wired 19 June , 2011
http://www.wired.com/magazine/2011/06/ff_feedbackloop/ (Retrieved on 12, 2012)

Event Evaluation on the Drawing Board

Event evaluation is characterized by order and planning, a systematic determination of merit, worth, and significance of event organizers using criteria against a set of standards. Hence, the event evaluation is the comparison of actual impacts against strategic plans. The stratagem of evaluation looks at original objectives, at what was accomplished and how it was accomplished. In O2 situation it can be formative, that is taking place during the long span of O2 as an organization, with the intention of improving the strategy or way of functioning of the project or organization. Such a process can also be summative, drawing lessons from a completed project or an organization that is no longer functioning.

Whether explicitly or not, the evaluation is inherently a theoretically informed approach, and consequently a working definition of evaluation in O2 situation would have be tailored to the theory, approach, needs, purpose and methodology of the evaluation itself. In this particular context, evaluation has been defined as a systematic, rigorous, and meticulous application of scientific methods to assess the design, implementation, improvement or outcomes of a program. It is a resource-intensive process, frequently requiring resources, such as, evaluator expertise, labour, time and a sizeable budget.

According to Leger and Walsworth-Bell, 'The critical assessment of O2 event, in as objective a manner as possible, of the degree to which a service or its component parts fulfils stated goals'.

The event management discourse primarily emphasizes on attaining objective knowledge, and scientifically or quantitatively measuring predetermined and external concepts.

On contrary Shufflebeam attached importance to facts as well as value laden judgements of the programs outcomes and worth. 'A study designed to assist some audience to assess an object's merit and worth'.

Applying Hurteau *et al* in O2 context the main purpose of a program evaluation can be to "determine the quality of a program by formulating a judgment". An alternative view may suggest the evaluators and other stakeholders will all have potentially different ideas about how best to evaluate a project since each may have a different definition of 'merit'. The core of the problem is thus about defining what is of value." From this point-of-view, the evaluation "is a contested term", as "evaluators" use the term evaluation to describe an assessment, or investigation of a program whilst others simply understand evaluation as being synonymous with applied research.

It is to be noted in O2 situation that not all evaluations serve the same purpose as some evaluations serve a monitoring function rather than focusing solely on measurable event program outcomes or evaluation findings and a full list of types of evaluations would be difficult to compile. The reason is the evaluation is not part of a unified theoretical framework, drawing on a number of disciplines, which include management and organisational theory, policy analysis, education, sociology, social anthropology, and social change.

Methodology:

The scope of this methodology chapter is to put forward a detailed idea about how this guided research progressed. The process was under an overarching methodology applied to collect the data needed and to answer the research question which aims at evaluating different approaches to O2 event management in order to arrive at the most appropriate approach leading to the O2 Arena becoming an international Events Venue. The due diligence has been exercised to justify why the selected approaches are of particular use for the purpose of this thesis. The research relies on both primary and secondary data from varied sources.

Rossi, P.H.; Lipsey, M.W., & Freeman, H.E., Evaluation: A systematic approach (7th ed.) (Thousand Oaks: Sage, 2004)
Reeve, J; Peerbhoy, D."Evaluating the evaluation: Understanding the utility and limitations of evaluation as a tool for organizational learning".
Health Education Journal Vol. 66 (Issue No. 2), (2007): p 120–131.
Ibid.,
Hurteau, M.; Houle, S., & Mongiat, S. "How Legitimate and Justified are Judgments in Program Evaluation?" Evaluation 15 (3), (2009): p 307–319.
Reeve, J; Peerbhoy, D. "Evaluating the evaluation: Understanding the utility and limitations of evaluation as a tool for organizational learning". Health Education Journal 66 (Issue No. 2): (2007): p 120–131.
Ibis.
Alkin; Ellett (1990). *Evaluation Roots: Tracing theorists' views and influences* (London: Sage, 2004) p. 454
Potter, C. "Psychology and the art of program evaluation". South African journal of psychology 36 (Issue No. 1), (2006): p 82–102.

Combining the Qualitative & Quantitative Research in the Primary Data collection

The combination of these two methods can be adopted in the context of O2 Arena as it provides a better opportunity to answer the research question and helps to achieve optimal subject response for this field of enquiry.

A close-end question is a form of question which can normally be answered using a simple "yes" or "no", a specific simple piece of information, or a selection from multiple choices. Close-end questions can be used for clarifying facts, verifying information already given or controlling a conversation, among other things.

A close-end question contrasts with an open-end question, which cannot be answered with a simple "yes" or "no", or with a specific piece of information, and which give the person answering the question scope to give the information that seems to them to be appropriate. Open-end questions are sometimes phrased as a statement which requires a response.

At the same time, there are close-end questions which are sometimes extremely difficult to answer correctly with a 'yes' or 'no' without confusion.

Research Findings:

Prima facie Evidence of Problem Areas

The research on basis of primary and secondary data subjected to hermeneutic analysis find the promotion of O2 Arena may draw a parallel with stadium, indoor arena, amphitheatre, assembly hall, ballpark, circus, coliseums, or any sporting venue. In any case, it would require the organizers to undertake a series of activities of designing or developing a themed activity, occasion, display, or exhibit (such as a sporting event, music festival, fair, or concert) to promote a product, cause, or organization. Known as event creation the task is aimed at providing an insight into the activities involved in the planning process. At the core of the task it is always remains as a moot question -- how events are planned and the role players involved. The task is supported by different planning tools and various elements in the environment.

According to Dimitri Tassiopoulos, 'The event planning is … aimed at providing a broad understanding of planning activities enabling interaction with event planners during the event planning process.'

Tassiopoulos, D., Event Management: A Professional and Developmental Approach (Lansdowne: Juta Academic, 2005) p 96

The provenance of the Millennium Dome appears to be lying in the original name of a large dome-shaped building, primarily created to house the Millennium Experience, a major exhibition celebrating the arrival of the new millennium.

The idea was embedded in the understanding of event management as the application of project management to the creation and development of events and conferences in the third millennium. The Dome was the site of the first Bollywood IIFA Awards, indeed an event management deliberation, as the premier award show honored both artistic and technical excellence of industry professionals.

Interorganizational partnership towards exploiting the Venue's Potential

The Dome, which hosted multiple events, often involves some form of partnership between different interest groups and organizations. The venue always presented an opportunity to analyze the interorganizational partnership that conceived, organized, and managed with respect to situate them in the context of some theoretical perspectives that have developed within the field of interorganizational collaboration.

Further, the potential represented by the event at The Dome can be realized in relation to two main objectives of: a) changing the perceptions of people in UK about role of such an entertainment venue would play in the public life, and b) changing the perception of these UK residents about the scale and quality of the entertainment value a venue such as Dome would provide.

Event Management from Tourism's Perspective

There was always a huge prospect of exploiting the potential of the Dome from tourism point-of-view and determine the role of partner agencies in the delivery of the same.

A few had predicted the spectacular emergence of The Dome including the architect Richard Rogers or the contractor, McAlpine/Laing Joint Venture formed between Sir Robert McAlpine and Laing Management. The Dome structure was designed by Buro Happold, and the most noticeable part was the roof structure which weighed less than the air contained within the building. The miracle still holds the breath of tens of thousands of visitors.

May 1999 heralded the major public access to The Dome as the Jubilee Line Extension opened, connecting the Dome to London's massive underground rail network. BBC reported, 'The first Tube trains to serve the Millennium Dome came on stream, 14 months late and £1.2 billion over the budget'. Despite it was billed as an achievement, the project was 14 months late and with station facilities not yet completed, particularly availing the lifts for wheelchair access. A few months after the structure of Dome finally came to its completion on 22 June 1999.

But The New Millennium Experience Company (NMEC), the owner of The Dome, was nearly broke. It had no option but to receive a £50 million public subsidy loan to offset its cash flow trauma. The pay-out from the Millennium Commission would become the first of several large hand-outs to keep the public attraction alive.

In the beginning of 2000 the Dome structure was opened to public as the Millennium Dome containing an exhibition to celebrate the third millennium. It was still not out of its stomach-wrenching financial worries. Till 2005 it more or less became a part and parcel of The Dome's life.

The Problem Areas rooted in the Genesis: Ambition, Populism and Cost Overrun

Under the auspice of John Major's government O2 was conceived, originally on a somewhat minimal scale like Festival of Britain to celebrate the arrival of new millennium. But as more time was spent on the drawing board the ambition grew.

In 1994 the Millennium Commission was established by Major and transferred the responsibility of running it to the deputy prime minister Michael Heseltine. The latter was instrumental in appointing the chief executive Jennie Page on March 1995. The following year in June the Greenwich Peninsula site chosen over Birmingham by the Millennium Commission. The venue pipped the other locations at the post to win the race. The other venues such as Birmingham NEC, Pride Park in Derby and Bromley-by-Bow in East London were equally worthy for consideration.

According to a feasibility study into the business sector's contribution to the Dome showed a huge financial shortfall: only £144 million had been raised from UK industry, leaving the project gaspingly short of a massive £150 million.

Towards the fag-end of 1996 the Government decided to support The Dome with public funding after it failed to raise private equity. UK's deputy prime minister Michael Heseltine declared the government would underwrite all Millennium Exhibition costs, despite a pledge the previous year that it would be paid for entirely with private investment.

As the political controversy began to

surround the dome in 1996 the Wonderbra tomtomed advertising campaign with the slogan 'Not all domes lack public support'. Channel 4 did not hold back the punches as it showed the Millennium Dome Watch in their The Big Breakfast, in which a video clip of the dome was used with a boat and bird going past the monument. It was suggestive parody over the Dome's slow construction.

The opposition Labor party dug its heel into the project. As an electoral pledge it announced that if the party would win the impending general election, it would support the project to its hilt. Tony Blair kept his promise, paying little regard to cabinet resistance such as Labor minister Clare Short who referred to the dome as 'a silly, building'. Blair considered the construction of The Dome to be a national duty -- an extension of his popular mandate.

Little could be said if things had been different if the German company which won the commission to build the Dome after the only British company to bid pulled out due to the behemoth size of the project. The Dome contract eventually went to the American, but Japanese-owned, company known as Birdair.

Channel 4 repeated its attack on the Dome on 1 April 1998. Its programme ran an April Fool's Day joke in the Dome Watch slot which caricatured the Dome's tented roof on fire. Around this time the Dome seemed to be a creative fodder for many other channels. The long running BBC children's programme Blue Peter showed its presenters Katy Hill and Richard Bacon burying a time capsule within the foundations of the Dome.

More damningly the idea of using the slow progress of The Dome as a background story ran through Gideon's Daughter, a fascinating BBC television drama written and directed by Stephen Poliakoff. The serial was broadcast in the UK on BBC One on 26 February 2006 and in the US on BBC America the following month. The sitcom was a runaway success starring Bill Nighy and

12 Countdown of controversy

29 May 2002, BBC website

http://news.bbc.co.uk/1/hi/in_depth/uk_politics/1009660.stm (Retrieved on November 20, 2011)

Jon Dennis, 'The Millennium Dome: a troubled history'

9 November 2000, The Guardian

http://www.guardian.co.uk/uk/2000/nov/09/dome.jondennis (Retrieved on November 22, 2011)

19 June 1997, Evening Standard

Jon Dennis, 'The Millennium Dome: a troubled history'

9 November 2000, The Guardian

http://www.guardian.co.uk/uk/2000/nov/09/dome.jondennis (Retrieved on November 22, 2011)

ibid.

Miranda Richardson, which had the ill-advised development of The Dome as its background story.

NMEC, which founded to run the dome, was alerted to the need for greater operational expertise. According to the National Audit Office: "The marketing strategy relied on the dome selling itself ... NMEC did not appear to have any contingency plans for what to do if the dome failed."

The labor which succeeded the power expanded the size, scope and funding of the project to make it a grand project. On 19 June 1997 the Labor Prime Minister Tony Blair visited Greenwich to declare that the Millennium Dome had been saved. The funding for the project was secured after he won a parliament debate.

In June 1997 Peter Mandelson prevailed over his other political rivals to be appointed by Tony Blair to the role of Minister for the Millennium Dome. It secured the fate of the beleaguered which was now to be secured with £580 million investment. The Treasury attempted to kill off the proposed dome at a meeting of newly-elected Labour Cabinet ministers. But the proposed £580m project was saved by the intervention of Peter Mandelson, then a minister without portfolio.

June 1997 was the most decisive month for The Dome. The millennium commission publicly proclaimed that it was cagey about the business plan submitted by NMEC. Eric Sorensen, the then millennium commission chief executive, advised commissioners to plan for 8 million dome visitors rather than 12 million. He cautioned that there "could not be any certainty about the final cost" of the project.

Tony Blair government's efforts significantly increased expectations of what would be delivered and made all efforts to come close to them. As a befitting tribute to The Dome the prime minister Blair extolled the structure would be "a triumph of confidence over cynicism, boldness over blandness, excellence over mediocrity".

Iain Sinclair's criticism flawlessly forecast the hype surrounding The Dome, including the political posturing and the eventual disillusion.

Through the thick and thin of the political bickering the Dome loomed large over the London sky. Its canopy was made of PTFE-coated glass fibre fabric, a durable and weather-resistant plastic, and was 52 meter high in the middle - one metre for each week of the year. Its symmetry was interrupted by a hole through which a ventilation shaft from the Blackwall Tunnel rose majestically.

Overestimation & Cost overrun cause Even Failure

Situated in the Greenwich Peninsula in South East London, O2 was opened to the public in the beginning of 2000 and remained open all through 2000. Condemned as Labour Government's high-roller profligacy the project and exhibition was the cynosure of considerable political controversy as it floundered to attract the number of visitors anticipated, yielding no profit. If Glen Ramsborg were to be believed it was probably the basic mantras of event management were ignored. Event management applied in this case would have involved studying the intricacies of the brand, or identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually executing the modalities of the proposed event.

O2 resembles a large white marquee with twelve 100 meter-high yellow support towers, one representing for each month of a calendar year, or each hour of the clock face, representing the role played by Greenwich Mean Time – a spectacle which has no rival. The grand scale of architecture as it were laid on a drawing board it appeared to be circular, 365 metre in diameter — one metre for each day of the year — with scalloped edges creating the scintillating aesthetic appeal.

Post-event analysis as a Learning Tool

O2's fate seems to be decided on the post-event analysis, which during the initial period did not appear to be satisfactory, hence ensuring a return on investment became a high priority, as it was commonly acknowledged to be the key driver for O2's commercial survival. As a result, the original exhibition and associated complex of O2 had since been knocked down. The dome survived the assault, and still exists as a key exterior feature of The O2. The Dome within the next few years of its survival learnt to exploit rapid growth of events and managed to create a large impact on the visitors in attendance. Since the Prime Meridian passes the western edge of the Dome and being within the access of London's efficient public transport system the O2 rapidly grew in terms of public access.

Robert Orchard, 'Dome woes haunt Blair'
15 February, 2001, BBC website
http://news.bbc.co.uk/1/hi/uk_politics/1172367.stm (Retrieved on November 24, 2011)
Sinclair, Iain. Sorry Meniscus - Excursions to the Millennium Dome (Profile Books: London 1999)
Ramsborg, Glen Curtis, Proffessional Meeting Management: Comprehensive Strategies for Meetings, Conventions and Events (Kendall Hunt, 2008)

The spectacular promotion of the aerial photographs of O2 to its exterior suggestive of the Dome of Discovery built for the Festival of Britain in 1951, it is certainly pegged as a venue for any event of unusual scale. Tutankhamen exhibition on the venue in 2007 is one of the most noteworthy events at O2. The massive opulence in the display included 130 treasures from the Valley of the Kings, Tutankhamen's gold crown and one of the gold and inlaid canopic coffinettes which contained Tutankhamen's mummified internal organs and artifacts of the Golden Age of the Pharaohs and other royal graves, including the intact tomb of Tutankhamen's great-grandparents Yuya and Tuyu.

An O2 source revealed, 'No other venue could have catered to the curiosity of the pubic associated with Tutankhamen's buried treasures beyond the imagination'.

The O2 Arena is not the dome itself, the government project included the outlying area covering the whole Greenwich Peninsula, the reclamation of this huge parcel of land, which earlier was contaminated by toxic sludge from East Greenwich Gas Works. The then deputy prime minister Michael Heseltine oversaw a massive clean-up operation as part of a larger plan to add the sparsely populated area to the east of London. The place is known as 'Thames Gateway' or the 'East Thames Corridor' is situated at the south of the Thames River. It is a beautiful backdrop for O2 to host any event as a run up to the Olympics 2012 or a corporate gathering.

O2, despite a lukewarm beginning, went through the concept of identifying and assessing the key impacts of bidding for and hosting an event, so as to determine possible benefits and costs. Tassiopoulos asserts, 'Costs (that is, negative impacts) pose risks and uncertainties for the event proponents, the authorities, the society and ecology in which the event will take place.' The effort from O2 part explains some of the possible mitigating measures for potential adverse impacts.

Innovation-Decision Process

The revival of O2 almost ran in the line of Tarde's defined the innovation-decision process as a series of steps that includes: (a) First knowledge; (b) Forming an attitude; (c) A decision to adopt or reject; (d) Implementation and use; (e) Confirmation of the decision.

Some of the event management decisions emerged by late 2000 translated into a proposal that had been made for a high-tech business park to be erected under the tent area, creating an "indoor city" complete with streets, parks, and buildings at the Dome. It was not an unprecedented development considering the earlier business park proposal in 1996 which had particular plans for the site of the peninsula before the plans for the Millennium Dome came up.

Towards the end of 2001, it was declared that Meridian Delta Ltd. had been handpicked by the Blair government to transform the Dome as a sports and entertainment centre, and to develop housing, shops and offices on 150 acres of surrounding area. The project had hoped to relocate some of the city's tertiary education establishments to the site within its layout plan. Meridian Delta supported by the US billionaire Philip Anschutz, who had interests in telecommunications and railways, as well as a host of sports-related investments all seemingly fitting into The Dome's future prospects.

The debate about the dome's future use was always contentious in the public domain. When the dome reopened during December 2003 for the Winter Wonderland 2003 experience the debate over the future use of the Dome still had not settled. The surrounding hype over the event, which featured a large fun fair, ice rink, and other attractions, culminated in a laser and firework display on New Year's Eve, still remained firmly etched in public's memory. There was a hint that the venue here forth could only be used for musical renditions as it served for a number of free music festivals organized by the Mayor of London under the "Respect" banner. However, the perceptions over the same changed during 2004 Christmas period, for part of the main dome was utilized as a shelter for the destitute and indigent masses, supported by the charity Crisis.

Image Management: Discovering New Ways to Engage

The Dome over the years always had been subjected to image management exercise. Its appearance in popular culture either had supported its cause of public approbation or derision over its lack of purpose as a venue or profligacy associated with it. The Dome was elegantly featured in the pre-title sequence of the 1999 James Bond film The World Is Not Enough and more approvingly in the song 'Silvertown Blues' from Mark Knopfler's album Sailing to Philadelphia deals with the construction of The Dome. Possibly what etched more permanently in cinegoers memory is climactic scene, involving a bickering and fight between the two silver screen stars Grant and Phil Mitchell, during which the dome is a part of the background as the scene takes place directly on the opposite side of the river.

The Dome has been a regular feature in the title sequence of the popular soap opera East Enders since its construction in 1999, the location not far away from East End. Also, some of the exhibits at The Dome were a part of popular culture, such as a running joke in the sitcom Goodnight Sweetheart was based on Yvonne Sparrow's involvement in the Body exhibit. The Dome, however, was not limited to British soap. The location was utilized for the 2005 American CBS television series The Amazing Race 7, for a roadblock where the teams had to drive a double-decker bus around the Dome's sprawling car park. People who participated in making the scene acknowledged nothing could have proven to be a better venue than The Dome.

The success of O2 should draw its lesson its lesson from Edinburgh International Festival. Glenn Bowdin *et al* recount Henry Harvey Wood, one of the luminary founders of Edinburgh International Festival who noted in 1947 the role that the festival could play in regenerating the economy.

'If the Festival succeeds, Edinburgh will not only have scored an artistic triumph but laid the foundations of a major industry, a new and exciting source of income'.

The festival succeeded and his prediction came true. Edinburgh International Festival continues to be of substantial economic importance, as does the programme of events that have developed around it. In 2004 alone Edinburgh's summer festivals generated an estimated £135 million for the economy, sustaining the equivalent of 2900 full time equivalent jobs.

Nothing perhaps can be put down as a game-changer in the fortune of the Dome as much the purchase of the venue by Anschutz Entertainment Group (AEG) in 2002. It was reopened in 2007 as The O2, a $700 million redevelopment of the original. The O2 was then showcased as the sports and entertainment centerpiece of a $3.6 billion regeneration of London's Greenwich Peninsula. Beneath the dome were twenty acres that include a 20,000-seat sports arena and concert hall called The O2 arena, an intimate 2,350-seat music venue called indigO2, an eleven-screen cinema with one 750-seat theatre that displays Europe's largest movie screen, a seventy-thousand-square foot exhibition space, and numerous additional entertainment options including over twenty upscale bars, clubs, and restaurants.

Tassiopoulos, D., Event Management: A Professional and Developmental Approach (Lansdowne: Juta Academic, 2005) p 74-75

Tarde, G. (1903). The laws of imitation (E. Clews Parsons, Trans.). New York: H. Holt & Co.

Conclusion:

O2 arena's future growth would deliberate on the event studies, an emerging interdisciplinary field of research focusing on the nature and importance of events in society and the economy. Lew *et al* say, 'While event management concentrates on planned, professionally produced event, event studies can also consider unplanned ... events ....'

Yet much of what has been written about event management, marketing, and impacts makes a direct contribution to greater understanding of the phenomenon of events.

O2 arena particularly may deliberate to know the underpinning theories and methods that are required to determine the nature of 'event geography' (a disciplinary perspective on event studies such as spatial and temporal patterns in the development and distribution of events and supply-demand interactions), event studies (study of the phenomenon of events, both planned and unplanned; their importance in society and the economy) and event tourism (two perspectives: the development and marketing of events as tourist attractions, image makers, and catalysts; consumer motives and travel behavior related to the attractiveness of events).

Event geography has a particular relevance in the case study of O2 arena as it focuses on the temporal dimension of event tourism. Lew at al assert, 'Although some events are tied the calendar ... others can be moved temporally or purposefully created in order to take advantage of opportunities and to develop demand in the low seasons. It is the very nature of events that each one is truly unique, being a once-only combination of setting (the environment and venue), management (including the program, and people (those producing it and those attending).'

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June 26, 2009, Daily Mail

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CELEBRITY ENDORSEMENTS OF PRODUCTS IN ASIAN MARKET AND ITS EFFECT IN THE BUYING BEHAVIOUR OF CONSUMERS

BY AMIT KUMAR AMARNATH

AMITKUMAR A. BANERJEE, WHO BEGAN HIS CAREER AS A GEOLOGIST, LATER BECAME A PROFIT CENTRE HEAD OF WORLD'S LARGEST ROTO MOULDING COMPANY, SINTEX INDUSTRIES IN INDIA. CURRENTLY BANERJEE SERVES AS AN ISO CONSULTANT IN THE SPACE OF EDUCATION AND TRAINING. BANERJEE, WHO HAS OBTAINED AN MBA FROM UNIVERSITY OF GREENWICH AND MS IN ENGINEERING GEOLOGY FROM MS UNIVERSITY BARODA (INDIA), IS SHORTLY COMPLETING HIS PHD IN MANAGEMENT FROM UNIVERSITY OF GREENWICH. HIS RESEARCH INTEREST LIES IN MICRO FINANCE IN MEDICAL INSURANCE.

Abstract:

It is difficult to fathom the effects of celebrity endorsements on consumers' brand attitudes and purchase intentions, particularly deriving economic value of these endorsements. It is more complex in South Asia as the research locates its study on north India to understand the marketing communications strategy through celebrity endorsement supporting the corporate or brand imagery.

In the present age of globalization, every growing enterprise endeavours to promote their products or brand image or their company brand equity over advertisements, focusing mainly on their "Brand Image" building exercise. Their intangible asset of Brand Equity is important factor for Asset Management, through the promotion of their products / service or the company image promoted. Here every organization invests meticulously and executes strategies on Brand Equity promotion. Every multinational organization has special focus on their brand image on such promotions, through advertisements on regular basis, because all products have changing product life cycle and need continuous updated promotional abreast to compete the market for long.

According to McCraken's 'Cultural Meaning Transfer' model(1998),[*33] the implications of the cultural importance of celebrity endorsers and endorsements in any product advertisements regional and cultural implication are deeply considered.

It has been observed that the western world's ads have greater celebrity endorsers in the total scan of the product involvement ads. In a nuanced contrast, in the Asian markets the celebrity endorsements are a composition of product, region and culture.

According to Angella Carroll[*35], in the present day market, the Brand appeal is more effective than any other traditional markers for quality or trust or customer's loyalty. Brands have been seen to influence consumer's mind and entice them with the deep feeling of self- identification, self-realization and self-expression, Brand communications have traditionally relied on the celebrity endorsements. The practical conclusion of the market analysis have found the celebrity campaigns to be more effective in major ads; but more in the fashion branding and fashion marketing. With the age of globalization, the global environments are the open ground for mass social movement actions with the respective different strategies with different celebrity endorsers. Also celebrity endorsements have a thin line of demarcation between advantages and disadvantages. It needs deep research and high level of alertness in handling such ads. It is an irony that the life span of any brand is quiet stable and longer than that of any celebrity endorsed ads; also that the sway of a brand cuts across the regional and cultural boundaries of the global market. Thus such ads do serve a wide spectrum of marketing communication mix, enhancing a brand development, brand stabilization and expansion.

Celebrity endorsement is one of the oldest and basic tools for brand image promotion through advertisements, which has deep TRP (television rating points) and deeper penetration in the consumer behavioural pattern; and with the growing influence of the print and audio-visual media, the popularity of these media has clear dominance over sales promotion in every market. This mainly includes the Celebrity Endorsements, and in the South-Eastern continents, the celebrity endorsement has are favourite advertisements; and such advertisements have greater and longer impact on the general mass. Celebrities create big headlines in India [Dharma & Kashyap (2006)]. They are always under scanners and their activities and movements imitated; so whatever they endorse are widely accepted as favourite brands/ products. Hence it is not uncommon that celebrity endorsements are hot favourites in advertisement media in common practice.

1* Objectives For This Study

In this market research study, our main concentration is on the analysis of the influence and the impact of celebrity endorsements on the purchasing behavioural pattern of the consumer markets. Here we have focused on the study field area of New Delhi, India; during one full year, spread across several demography. The study is focused on the overall marketing effectiveness of celebrity endorsements in building brand equity and their effectiveness overall.

2* Sub- Objectives:

- Evaluation of the target Rating Points (TRP) and the Gross Rating Points (GRP) of the celebrity endorsements, which means to evaluate the efficacy of celebrity endorsement that converts to superior brand's elevated awareness of Products, Based on the TRP the return on advertising expenditure is calculated and consequently the targeted sales volume estimated.
- To measure and study the effectiveness of the swing and sway- shift to a favourable customer's behaviour towards all those products or services, those have been endorsed by the celebrities with quiet diligence.
- The primary objective of this research is to establish and quantify the link between the trade promotion by such advertisements and sales
- Market Analysis of :

  a) The costs-effectiveness of endorsements.

  b) Opportunities and limitations.

  c) Brand Equity size and market penetration structure.

  d) Organizational concern over such Market Analysis.
- Study of the evaluation of such market trends

Research Methodology:

<u>The selection criteria basis for this particular topic</u>

Advertisements though Celebrity Endorsements have been a hot favorite and has a long success track record in advertisements world; an highly saleable tool for advertisements, which has voluminously multiplied in the present era, and has been estimated to be around Rs 1500 corers (Indian currency value)-conservatively estimating figures. Even it is found that there is a major sway on the emphasis of the advertisement theme by exhibiting the charismatic persona of the endorser / brand ambassador, rather than highlighting the core theme of the brand of the product / service; as products get instant value recognition by celebrity endorsements; which otherwise would have longer gestation period for marketing success in the advertisement world and would have taken much higher cost of resources- millions of dollars - to establish, and with far less resultant success guarantee.

Lastly, it is interesting to note that celebrity endorsements, helps to increase the TRP, increase the brand sales. On meticulous selection of the brand ambassador, who must have relevance to the product and must be an acceptable match fit of the values of the celebrity endorser with that of the product / service endorsed, by quiet appealing and perceived by the consumers.

Justification of the study

Advertisements themes are based to attract and leave a lingering image retrievable to the consumers and the general mass on the whole. If any advertisement with celebrity endorsement has been widely accepted, it is mainly because they like the celebrity endorsement, and they cultivate positive inclination towards the product and thereby develop a positive inclination for the advertisement and the brand on the whole-holistically. There has been a perceptible attraction towards every activity of the celebrities, and therefore mere presence / endorsements increases the TRP of the advertisement, and achieve high recall rates and longer retention value. And overall such advertisement lead to attract higher product value sales, consumers pays higher prices for such products.

Research Methods:

Research Design:

We have tried to organise the design of this**Research study in two** models, mainly descriptive as well as exploratory in nature; tired to explain every aspect in a clear logical manner.

Sampling Technique:

It has been our endeavour to explain the topic using very Simple Random Sampling.

Sample Size :

We have tried to collect around hundred sample cut across Society on the whole.

Sample Units :

Our sampling process have been quiet robust and cut across the social demography of an Indian society; sampling focusing mainly on the age group of 25-55 in India. We have tried to focus on the overall crowd in general. We have collected our samples from such selected social demography across the society in general. And it was our prime theme of sampling to understand and look for the general tendency and understand the shift in the public sentiments from such samples.

Data Collection Methods:

Primary Data: Our primary data have been collected using a well planned and structured Questionnaire; which is simple and easily understandable to the local crowd from different sections of the society- in simple language; but we have tried to limit it into an optional format and with few answer options

Sometimes few local examples have been phrased in the Questioner to explain them with ease.

Secondary Data: external information data have been researched from the Magazines, Newspapers, Internet, etc.

Research Limitations

1. Our sampling strata has been general crowd cut across all the classes of the society, would tend to in-filter biased opinion from the respondents.

2. As the sample size is small, it would restrict the representation of the statistical universe in the sampling.

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1* Question for Research Study

We have tried to highlight the core areas for this research study, they are: the present *Inclination, Probable* and the *Successful Brands* in endorsements as well as their products in the advertisement media. The Inclination or which can also be termed as 'trend' in the market, are studied to assess the increase in the awareness of the brands with celebrity endorsements and the growth in the investments on such endorsed advertisements. The study is also extended towards assessing the effectiveness of such advertisements and on the demography across the different social structures. While researching about the success story of the different brands, the performance efficacy of the Brands is targeted of such advertisements; and how such advertisements promote the brand awareness?

Research questions:

(a) At what rate do the celebrity endorsements advertisements influence the investments in market promotional activates and sales volumes?

(b) What is the TRP of the celebrity endorsements advertisements on the demography across the stratified social structures?

(c) How such advertisements promote the brand awareness?

2* Objectives of Research Study

To assess the efficacy of the advertisements with celebrity endorsements in brand building (awareness)

Motives for this research study:

(a) The main theme of this study is to assess the awareness and acceptability of the model of selling with celebrity endorsements in the society and the gauge the depth of the penetration in the society.

(b) Then the study is also focused to understand the different trends existing and the prospective future trends of such advertisements in the global open highly competitive market.

(c) This study also has been helpful to understand the dynamics of such advertisement models and their future; with reference to establishing a brand and the study of the efficacy of such marketing model strategies for higher brand awareness and acceptability.

(d) Lastly we have also endeavoured to evaluate the cause of such drift in the behaviour pattern of the consumer, towards such advertisements

3* Literature Review

3.1 Backdrop of this Research Study

In the inception of this study we have endeavoured to explain the different meanings of Celebrity, Celebrity Endorsements, the present trend of the advertisement supported marketing and various aspect of Celebrity endorsed Brand awareness; then the limitation and the perils of such advertisements and the influence of such advertisements on the consumer buying trend. A comparative study has been tried to enumerate the different aspects of such marketing / advertisement model.

In the present age of highly competitive global market and market mechanism, it is only through the brand building that the sales figures are achieved. Hence large business and corporate houses invest heavily on the brand building as well as its retention exercise with the support of multi-media advertisements and that too with celebrity endorsements. Present day marketers primarily focus on brand image development and high retention, then focus on their products, mainly because products life is limited and will change, while if the brand is established, it pulls success for all other products related to that particular brand. Market dependability is more on the power of the brands, and hence the owner of any particular brand, guard their particular brand against unlicensed or illegal or unfair trade practices.

Generally simple advertisements retention period is not more than 24 hours, while those with celebrity endorsement has longer span. Hence every company engages in such advertisements, mainly to address three main benefits, Kelkar (2008) to highlight three successful

⇒ Increase in the TRP of the advertisements.

⇒ Endorsers' persona has a positive impact/influence on the brand, there by the company and lthen the products, on the general mass. The general public associate the brand imagery directly with the personality traits of the endorser.

3.2 Role and Importance of Celebrities Endorsement in Advertisements.

It is very essential to assess the growth in the brand awareness for a selected sample set, for any growth in sales with respect to the particular advertisement/ brand. Because it not only establishes the valuation of the brand equity of the product but together the brand equity of the celebrity also gets stabilized.

Hence the selection of the advertisement together with the celebrity needs to be meticulously evaluated and is a highly professional activity, are mostly prejudged or predefined for product categories (Tripp et al, 2004). The match & fit exercise and Identifying the co-relation between the products to the celebrity need numerous brains storming sessions,

History

We can see from the historic times that Cadbury's Cocoa was associated Queen Victoria (Shennan 1985). It was a significant indication that celebrity endorsement was prevalent right from the nineteenth century. Even commercial ads on the radios since (1930s) and TVs advertised McDonough 1950 and several other food chains. It has been found that since 1970 and 1988, nearly 20 percent of the advertisements had celebrity endorsements (Motavalli 1988), which was even higher in US and the western European countries Shimp (1997).

While there are different views and concepts with regards to brand equity development and market relativity with celebrities. Celebrity endorsement is solely dependent on the market acceptability of the brand, and hence long association or continuous/ recurring appearance / endorsement by a particular celebrity is also a product of market dynamics. Therefore the market while the product becomes the conditional stimulus and then endorser becomes the unconditional stimulus (this is as per the Classical Conditioning Hypothesis of Tom's (et al. 1992)

3.3 Public Ratings for Celebrities

The celebrity's public persona ratings are the market TRP and their market values, the market investments for their endorsements and the intangible value of the brand equity valuation of the products endorsed by them. Fundamentally it is the market dynamics which is highly volatile, and in this globalized market dynamics, these brand ambassadors have to compete the world market and international standards, mainly because the products have to compete international brands and quality. McCracken (1989) said *"Celebrities draw these powerful meanings from the roles in their television, movie, military, athletic and other careers. Each new dramatic role brings the celebrity into contact with a range of objects, persons and contexts. Out of these objects, persons, and contexts are transferred meanings that then reside in the celebrity"*

3.4 Restriction of resources for Credible Endorsement

According to Mitchell, 2006 "Sleeper Effect" it is immaterial of the type of source of endorsement, because endorsement source with high credibility do not guarantee the success nor do sources with low credibility become a liability to any brand; but on the contrary both types of sources do sway the market sentiments and thereby with the longer time span the impact of the advertisement message crystallizes. Hence the basic "Sleeper Effect" does not form a thumb rule in advertisement. While Sawyer and Howard (1991) strongly advocate the Reliable strategy- that is Reliable/Creditworthy endorsements fair better in market capitalization for target market. This view is also supported by Ehrenberg (1974),

3.5 Influence on the FMCG market by Celebrity endorsement

As per the strategy put forward by Agrawal and Kamakura, 2005, the regular pitching impact of the product features always pays off on long run, creating and projecting a mass appeal supported by the product knowledge spreading across the targeted sectors. This theory is more widely accepted and has been proved in the present competitive market.

3.6 World of Comparative Advertising

"Comparative Advertising" was the term conceptualised by Kirmani and Wright (2005), who have to tried to establish the fact that it is more effective to compare different brands or products of similar category of products, marketing the products by the themes and messages focused to promote primarily the product features. This concept have been more realistic because of the present globalization competitive market- the comparative study of the product features across all the product categories, product lines and the brand lines.

3.7 Celebrity Endorsement's en-cashing their sex-appeal.

Though the messages / themes projecting the sex appeal of the endorser have initially attracted the attention of the general public, but it has been very temporarily been effective. Such advertisements do not project any theme about the product or brand or company holistically. But on the other hand, the sex appeal do psychologically generate the general interest in the human tendency, so if some tinge of sex appeal is added on the theme/ message of the advertisement, it would surely add flavour to the products being advertised. Parallel it is also true that if the sex tinge is not added to any advertisement, then such advertisements do have a chance of failure for repetitive impact in the market success of the advertisement (Alexander (2002))

3.8 Summary

It is very important to know few facts associated with this research study about Comparative Advertising, such as:

⇒ It has been an established fact that Comparative advertisements do not support the brand awareness impressively.

⇒ Such advertisements are holistically not adjudged as trustworthy and are many a times perceived to be unacceptable.

⇒ On the contrary such advertisements instigate counter arguments for the products' and brands' advertisement themes/ messages. Such activities do impinge negative influence due to such discussions.

4. Research Methodology

4.1 Introduction

A brief methodical approach to this research study has involved various stages from designing the research model to data (primary and secondary) collection, then data analysis, and finally to their interpretation.

4.2 Theoretical Approach

Theoretical approach is the pre-study of the project, screening of the available literatures from the internet and library, carried out in a methodological and systematic manner for the research questions. While it is very crucial to pin-point and identify the main research questions / address the issue. After identification of the research questions (pinpointing the issue) it would then be important to restructure the research model, the study pattern concurrent to incorporating the modelled research methods and techniques to answer the research questions. Basic research methods have been used for this study- mainly the data collection, converting it then into statistical data with graphical representations, and then the analysis of the statistical data is made using several points of addresses. So summarising the research model starts from identifying the research question, then planning the research model and conceptualizing the model, followed by carrying out the survey study, then incorporating the survey finding into statistical tables and lastly using the statistical analytical study the trend is identified and research questions answered (Kothari, 2007)

4.3 Research Approach

The main question of our research study is to establish an acceptable relationship between the buying behavioural patterns to that of celebrity endorsed advertisements. Our approach for this research project has not been more of analytical but have been addressed in descriptive methods to answer the research question in study; while there have been several instances of inclusions of faiths, beliefs, views and expressions, prevailing social customs, patterns and attitudes. This point of view has been clearly addressed by Gupta (2003).

4.4 Research Design

Fundamentally the research model is designed depending upon the research questions to be addressed, the purpose of the research study, the associated research variables also that need to be clarified. During the research study the influencing variables and conditions are also given due consideration

5* Data Collection

5.1 Characteristic of Data Base:

As mentioned above, it has been clear that the theme of this research study model has been descriptive in nature; the data collection resourcing also has been more or less descriptive. The Primary Data source has been the survey through questionnaire- simple language, easily understandable and selective optional method adopted.

5.2 Methods employed for Sampling and the Pattern combined

Our research study has been focused to address the question relating to the Celebrity Endorsements in the stabilising any Brand or product in the market. This research is then preceded by the help of a research model. To address and understand the research question, the objectives of the research study have been clearly defined and understood, supported by the survey questionnaires and sample study carried out- from a sample size of 1000 and demographically segregated into different age-group classification and different segments of the society.

5.3 Procedure employed for Data Collection

The process of collection of the primary data is made from the basic society of North India, with the help of a well structured questionnaire. Before any handing over the questionnaire, the purpose of the research objectives and the research model explained to the respondents. Then the, questionnaire distributed to the respondents.

5.4 Methods employed for Primary Data Collection

Sample Survey methodology is an analytical tool for research, to extract information from a large population. The Sample Survey Designing and Analysis is developed incorporating all the necessary target results, aligning all the required data collected. We have used random sampling method unconstrained by the time of survey, which is a very good method of sampling technique. Further field sampling method had been adopted to gather direct responses. The recommended sample type and size was varied depending upon the area, the different surveyors engaged, and the cover area being discrete and thickly populated. All these factors do really contribute to the good sampling techniques adopted by us in our survey.

We had adopted Probability Proportional Techniques- mainly engaged Multistage and Cluster sampling methods. At certain stages we had even Incorporated Stratified / Systematic Sampling Techniques.

We have tried to avoid surveys from web sites, Quota and Accidental sampling methods. We have covered the survey with one full season span to avoid the clustering of biased data base.

For the collection of the Primary Data, a well structured Questionnaire has been used, being the main source of primary data in our research study, sufficient precautions and care has been taken during the designing and structuring the questionnaire- which is not descriptive in nature, instead a closed ended with limitation to multiple choice answers. The multiple choices have been well structured to closely and minutely address the research question specifically. As our sample universe is a wide society in a highly populated country, and on the other side the sample segment is also a huge in nature- being the retail market segment of FMCG. Hence the use of this model questionnaire is appropriate and handy for analytical purposes. Because the questionnaire is well structured, with closed ended questions and with optional answers, has funnelled down the market survey to the research objectives and research question that need to be addressed. Further, proper flow of questions has been sequenced and the question-answer is in the English language, to maintain neutrality and have a clear understanding of the responses. Then the smooth flows of the answers give us the simple and direct lead to the statistical-analysis; while the logical questions hold the interest of the respondents to reply easily and frankly.

Then further we have restricted the distribution and collection method of the questionnaire personal field work; which has eliminated the chances of collection errors from the beginning. And the respondents were given ample time for response, as we completed our field survey in four weeks in ten different corners of the metro city.

5.5 Methods employed for Secondary Data Collection

The secondary data is generally the theoretical data collections, which are done to get the background picture of any research topic. These data are generally sourced from the previous research works, which can be accessed from the libraries, internets or other magazines. In the type of topic we have opted to research, the major focus of this study is an academic approach; where more of hypothetical and theoretical data are relied upon- generally depending on the existing market, market trend and the Market Research.

5.6 Constrains and Restrictions in advertisements with endorsements:

The scope of research for this type of subjects is a highly debateable topic and an ongoing process. The daily updates are very essential in such advertisements as the scopes and challenges are regularly changing- mainly because such ads are dependent upon the short product life, highly volatile changing taste of general public and fast changing purchasing scopes from the wide variety of product ranges.

Further the scope of such ads are wide mainly the span of the market is enormous and highly competing due to international open market

Lastly the study of this type of research question restricts our scope, if the survey and the comparative study is made from a single section of the market.

6* Data Analysis:

6.1 Method of Data Verification

When we developed our research model based on the research questions and the objectives of this study, we cleared our basics concepts from the secondary data available from the internet and the library study materials. Library study materials helped us develop our analytical study model, while internet helped us design our field survey questionnaire. Hence there were regular checks and cross checks for the research model. We have endeavoured to the scientific methods of analytical studies based on all the field data statistical figures.

After the collection of the field data, we had to carefully carry out the data inputs in the statistical formats, then classified, tabulated, edited, etc all the input data; for the ease of analytical study. The analysis of the data and findings were done to establish the relationship pattern of the data groups. We have tried to extrapolate the numerical data into graphical representation for every question raised in the field primary data questionnaire.

6.2 Analysis Methods and Reports

Our study model was completed by the study of the analytical results of the various data, under various prospect- like:

(a) Are you impressed by the Consumer goods advertisements which are endorsed by the famous celebrity?

(b) Recall of the advertisement by various FMCG Product

(c) What are the reason for which the FMCG Ads are recalled?

(d) Which are the most favoured FMCG Ads?

(e) Which FMCG Ad's endorsed celebrity is the most favourite?

(f) Do the Celebrity endorsed ads add value to the FMCG Product

(g) Would anyone be influenced to buy a FMCG Product, because of the Ad?

(h) Do the celebrity endorsed FMCG Product Ads propagate the facts?

(i) Does the celebrity endorsement for the FMCG Product Ads influence the customer's buying decision?

(j) Does the FMCG Product Ads with Celebrity endorsements have greater and wider market brand recall?

(k) Are the customers influenced to make better choices mainly because of the Celebrities impact?

(l) Do people sometimes make foolish decisions, on being influenced by the Celebrities?

(m) So public in general remember ADS of FMCG products mainly because of the Celebrity endorsements?

(n) "Celebrities in the advertisements Of FMCG products"

(o) Instructive – Non-instructive

(p) Likeable – Un-Likeable

(q) Convincing – Un convincing

(r) Trustworthy – Non trustworthy

(s) Interesting – Un impressive

(t) What has impressed you in such ads of consumer goods?

(u) What are your chances of purchasing a product, whose advertisements are endorsed by any celebrity?

(v) What are your chances of purchase of the product, if it were endorsed by some other celebrity?

(w) Does any particular celebrity endorsement influence you more?

(x) Concluding remarks.

(y) Remarks for suggestions

7* Conclusion & Findings

The conclusions and findings are the essence of the statistical analysis, graphical interpretations and other extrapolation of data on the graphical analysis, based on the several features as the various stages of brand life cycle, product range analysis, and segregation of demographical target market, celebrity's market value, and several other information.

A questionnaire has been developed with great care, covering the major themes under scanner. All these aspects are simultaneously compared and studied to correlate the corresponding similarities, as per the requirements, and lastly conclude the expression and information

Recommendations

Few facts can be extracted from this research analysis based on the statistical analysis of the primary field work data- (based on the 24 questions highlighted in the above paragraph in Analysis)

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HARRODS AS A SHOPPER'S DESTINATION IN THE FACE OF STRATEGIC AND OPERATIONAL CHALLENGES

BY SARAT C. DAS

SARAT C. DAS, CURRENTLY EDITOR OF SOUTH ASIAN DIASPORA MAGAZINE "U ASIA", IS ALSO TEACHING IN HIGHER EDUCATION SECTOR IN UK. PRIOR TO THIS, HE WORKED IN TELEVISION BROADCASTING IN SEVERAL COUNTRIES SUCH AS DIRECTOR (NEWS) WITH ARIANA RADIO & TELEVISION IN KABUL, AFGHANISTAN, HEAD (PROGRAMMING) OF NEPAL I CHANNEL (KATHMANDU, NEPAL), CHIEF OF OTV, A REGIONAL TELEVISION CHANNEL IN INDIA, NEWS PRODUCER FOR INDIA'S PUBLIC BROADCASTER AND AS AN INDEPENDENT TELEVISION PRODUCER IN AUSTRALIA. DAS ALSO WORKED AS A SENIOR EDITOR FOR PRINT AND NEW MEDIA FOR MEDIA CONGLOMERATES SUCH AS TIMES OF INDIA AND HINDUSTAN TIMES. HIS FORMATIVE YEARS IN JOURNALISM BEGAN WITH RELIANCE GROUP'S OBSERVER NEWSPAPER AND CYBER MEDIA'S DATAQUEST PUBLICATION. OVER THE YEARS, DAS HAS SUSTAINED HIS INTEREST IN TEACHING DELIVERING LECTURES MANY COUNTRIES INCLUDING LIBRARY OF ALEXANDRIA, EGYPT. BESIDES, HE ALSO PROVIDES CONSULTANCIES TO A HOST OF MEDIA AND IT COMPANIES ON THEIR BUSINESS PLANNING, CONTENT, AND AUDIOVISUAL PRODUCTION. THESE COMPANIES INCLUDE YAHOO!, TEHELKA, IANS (PUBLISHER OF INDIA ABROAD), HFCL, UBICS (UB GROUP), AND A B2B PORTAL FUNDED BY KLEINER PERKINS. DAS RESEARCH INTEREST LIES IN DELEUZE, FOUCAULT, TRUTH THEORIES, INDIAN MYTHOLOGY,

Abstract:

Harrods, one of best known upmarket department stores in Europe, when sold to the Qatari royal family's investment company for a reported £1.5 billion there was a speculation on the company's possible changes in its operations management affecting various levels -- corporate strategic, operational and supervisory management. The research, primarily sourcing from secondary data, inquires how the legacy of the Harrods bears out on its current modus operandi which is increasingly being mediated through technologies.

Introduction:

Harrods, the massive department store located in Brompton Road in Brompton, in the Royal Borough of Kensington and Chelsea, London. The Harrods brand, which almost has a cult following, also applies to other enterprises undertaken by the Harrods group of companies including Harrods Bank, Harrods Estates, Harrods Aviation and Air Harrods, and to Harrods Buenos Aires, sold by Harrods in 1922 and closed as of 2011, with plans announced to reopen in 2013, something now currently under considerations of its new owner. Popularly known as London's third biggest attraction Harrods attracts 12 million visitors a year. According to Harrods own admission, there are customers who can pay up to £1 million in a private viewing or via a personal shopper.

Harrods has its own way to come in terms with its strategic planning, which may not appear as apparent as a 21st century organisation's obsession with defining its direction, and making decisions on allocating its resources in line with this strategy. However, Harrods certainly seems to have understood that in order to determine the direction of the company, it is imperative to understand its current position and the possible growth avenues through which it can quest for a particular course of action. According to Scott Armstrong, strategic planning deals with at least one of three key questions, which would largely hold true for Harrods: 1) "What do we do?"; "For whom do we do it?"; and "How do we excel?" He asserts that the cross-sectional field studies with ill-defined descriptions of the planning process will add little to what is already known.

Evaluation Of Vision, Mission, Core Values & Strategies:

Harrods' key components of 'strategic planning' may include an intuitive discernment of the department store's vision, mission, values and strategies. Like in any other organisation's experience vision and mission are customarily captured in a Vision Statement and Mission Statement.

Vision: Harrods' vision outlines what the department store wants to be, or how it intends the environment in which it operates to be (an "idealised" view of the external environment). However, a better statement would have been perhaps to draw a parallel with Vision statement of Boeing in 1950 such as 'Become the dominant player in commercial aircraft and bring the world into the jet age'. The necessity to adopt a long-term view focussing on the future is the key to any organisation's vision. Such a statement can be emotive, as Harrods has a long history to evoke this feeling, and can a source of inspiration for all the stakeholders.

Mission: Harrods ambition to become the number one department store in the planet for luxury branded merchandise remains its mission. It defines the organisation's fundamental purpose, succinctly describing why it exists and what it does to achieve its vision maintaining an unprecedented level of retail standards, expertise and healthy profitability. It certainly looks forward to achieve this through a combination of product, service, innovation and a sense of feeling being privileged such as Harrods slogan of providing every buyer with an unforgettable experience in its quintessentially English environment.

Values:

Harrods value has a cross-cultural mix of its multi-ethnic employees who bring their own personal or cultural values under one roof. The shared beliefs of the Harrods employees' drive its organization's culture and priorities and provide a framework in which decisions are made. Values, whether in Harrods or in any other context is an absolute or relative ethical value, and little to deny that the assumption of which can be the true basis for ethical action. However, it is always difficult to choose between different values in an organisational context, thus prioritising some of the values over others. Such choices engender a value system which is nothing but a set of consistent values and measures adopted in response to certain situations over a period of time. Yet it can be said that the principle value is cornerstone upon which other values and measures of integrity are based and Harrods certainly does not sit at a variance to these views. People at the organisational level may distinguish those values which are not physiologically determined and generally deemed objective, such as a desire to avoid being physically hurt, seek sensual gratifications, etc., are considered subjective, vary across individuals, organisations and cultures and are in many respect aligned with belief. A bigger framework of this is a belief system. At Harrods, these values can be classified into a wide array of ethical/moral value, doctrinal/ideological (religious, political) values which would include business ethics.

Harrods looks to integrate its online and in-store operations

Computer Weekly, 12 July 2007

http://www.computerweekly.com/news/2240081987/Harrods-looks-to-integrate-its-online-and-in-store-operations (Retrieved on 22 January 2012)

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At Harrods these values can be articulated as broad preferences concerning appropriate courses of action or outcomes with relation to a particular business decision. Here these values reflect any Harrods stakeholder's sense of right and wrong or normative values such as what “ought” to be. Yet, this particular discourse of Harrods may be concerned with "Excellence deserves admiration", “Equal rights for all” and “People should be treated with respect and dignity” that are the most known representative of values. In Harrods' experience the values tend to influence attitudes and behaviour to a particular effect. What may serve as a practical example, if an employee personally value equal rights for all and he or she goes to work for a company such as Harrods that treats its top employees much better than it does its junior employees, the individual may form the attitude that Harrods does not believe in an egalitarian world; consequently, he or she may not put his soul into the job or may perhaps walk out of the department store. Hence it is likely that if the organisation such as Harrods had a more egalitarian policy, the employee's behaviours and attitude would have been definitely more positive.

Strategy:

Strategy may concern itself with any of the line of function of Harrods as it is said to be "the art of the general." At Harrods the strategy would explicitly mean a combination of the ends (say the goals) for which the department store is endeavouring and the means (policies) by which the company is seeking to arrive at that position. Hence, the strategy is referred as a definite roadmap which is the path chosen to progress towards the end vision. Hence, there is a particular care taken in implementing the strategy thus ensuring the organisation is progressing in the right direction consistent with its vision.

A particular example at Harrods may be discussed such as its decision to overhaul its brand strategy for which the company hired design agency The Nest to oversee a series of one-off branded in-store events in September 2004. As reported in the Press the agency, which won the business following a pitch against Innocence and Lewis Moberly, has been briefed to guarantee the brand consistency across the events. The design firm was required to review the use of Harrods branding on merchandise and in store to maintain its appeal to a broad based customers including celebrities.

In 2002 Harrods had appointed Carlson Marketing Group to formulate a relationship marketing strategy that could launch of a detail loyalty scheme for this

Branding News: Harrods rethinks brand strategy

Marketing, 29 September 2004

http://www.marketingmagazine.co.uk/news/223588/ (Retrieved 09 February 2012) large department store. Carlson's was required to put itself into strategic development projects to estimate the viability of a loyalty scheme as well as customer communications aimed at immaculate tailoring offers which can produce tangible business benefits. Harrods was considering at introducing a loyalty mechanic linked to its account card that would make its high-value customers eligible for exclusive offers including luxury gifts. From business strategy point-of-view the scheme would have been a smart way of achieving Harrods' objective of attracting younger, fashion-conscious consumers into the store (a lot of these may be the shopping tourists) at a time when it's undergoing a financial crunch. Previously Harrods' financial results showed that profits at the department store fell from £39m to around £20m on turnover of £436m in the year to January 2001.

The flagging off the innovative scheme was overseen by Harrods marketing director Ronnie Helvey, who earlier worked with The Body Shop, where he was the lead marketer. At Harrods Helvey reported to Marty Wikstrom, Harrods' first female managing director, who took the rein of the group in 2001.

During this Harrods was particularly worried about the big competition from rivals such as Selfridges. Harrods countered this larger advertising outlay through its advertising agency Leagas Delaney, with something around £5m in 2001.

Around that time industry buzz was that the department store was likely to ramp up its marketing expenditure considerably as the organization was fighting tooth and nail to fend off the threat from its big-ticket competitors.

Carlson pitched against a number of agencies for the task, but refused to comment on the win. Harrods director of corporate affairs Peter Willasey did not return calls as Marketing went to press.

Though it is obvious that there are a host

Situation-Target-ProposalSituation - evaluate the current situation and how it came about.

Target - define goals and/or objectives (sometimes called ideal state)Path / Proposal - map a possible route to the goals/objectives

See-Think-Draw

See - what is today's situation?

Think - define goals/objectives

Draw - map a route to achieving the goals/objectives

Draw-See-Think-Plan

Draw - what is the ideal image or the desired end state?

See - what is today's situation? What is the gap from ideal and why?

Think - what specific actions must be taken to close the gap between today's situation and the ideal state?

Plan - what resources are required to

Harrods at any situation would like to summarize its retail goals and objectives into a mission statement and/or a vision statement. It is likely that this particular department store began with a vision and mission and employs them to formulate its goals and objectives.

Often the difficulty arises the apparently similar looking 'vision statement' and 'mission statement,' and it is found the latter is naively used as a longer term version of the former. Harrods would experience in its case that these two are different phenomena, with the vision being a comprehensive idea of future state, and the mission being an action statement for bringing about what is envisioned. This would translate into Harrods case as the vision is what would be achieved if the department store is successful in achieving its stated mission.

However, the critical part of any of the vision or mission statement to be effective at Harrods, they must become assimilated into the Harrods' multi cultural environment. Also, there is a need for these to be assessed internally and externally. Do all the employees of Harrods have a shared belief, for this would help the internal assessment to focus on how these members interpret Harrods' mission statement. Harrods' external assessment — which comprises of all of the stakeholders —sits at a variance with internal perspective. A PESTEL (Political, Economic, Social, Technology, Environment and Legal) would lend a deeper insight into these discrepancies between these two assessments. The primary objective of this PESTEL tool is to examine the internal strategic factors, strengths and weaknesses attributed to the company, and external factors beyond control of the company such as opportunities and threats.

Other similar looking strategic tools such EPISTEL (Environment, Political, Informatic, Social, Technological, Economic and Legal), PEST analysis (Political, Economic, Social, and Technological), STEER analysis (Socio-cultural, Technological, Economic, Ecological, and Regulatory factors), STEP (Social, Technology, Economy and Political) and STEEPLE (Social, Technology, Economy, Environment, Political, Legal and Ethics) can also be useful in this context. Besides, some of the tools which can have a particular relevance in this context are Balanced Scorecards, which creates a systematic framework for strategic planning, and Scenario planning, a legacy of military strategy and now used

Kleinman, Mark, Direct: Harrods hires Carlson to build CRM strategy
Marketing, 04 April 2002
http://www.marketingmagazine.co.uk/news/141332/ (Retrieved 09 February 2012)

ibid.,

Strategic Planning

Wikipedia

http://en.wikipedia.org/wiki/Strategic_planning#cite_note-0 (Retrieved 09 February 2012) in corporate situations to analyze future scenarios,

Tasks And Operational Selection:

The Harrods operational issues include its organisational structure and methods of procuring goods. Part of a tertiary sector Harrods always finds its unique way of determine how the goods would be procured, displayed on the shop floor so that the attention of the customers can be drawn into them to meet their requirements. Over the years the store has gained an insight into the business as to how to procure goods from client producers who rely on a certain method of production (batch, job, flow). As the store has to keep its shop floor well-stocked it could not afford its client producers sometimes to sink into a lean production pretentiously claiming to reducing waste, improving productivity and saving costs, or even worse, any erratic production schedule.

The role of quality assurance is realised at the operational level. It suggests the client producers on different approaches to managing quality and efficiency, such as continuous improvement, just-in-time, or Total Quality Management. Harrods believe in managing its stock efficiently to contribute to efficiency

Harrods founder Charles Henry Harrod, a miller in Clacton but later he moved to London where he began selling groceries in Stepney, first established his business in 1824. Charles Harrod's first grocery business appears to be as 'Harrod & Co.Grocers' at 163 Upper Whitecross Street, Clerkenwell, E.C.1., in 1832. In the 1840s he rented a small shop on Brompton Road, Knightsbridge, known as "Harrods" The premises were located at 228 Borough High Street where Charles Harrod ran this business, variously listed as a Draper, Mercer and Haberdasher, certainly until 1831. During the early years of Harrod the business was listed as 'Harrod and Wicking, Linen Drapers, Retail', but this partnership was quashed at the end of that year. In 1849, to get away from the cutthroat competition of the inner city and to capitalise on trade to the Great Exhibition of 1851 in Hyde Park, Harrod shifted to a tiny shop in the district of Brompton, on the site of the huge current store. Beginning in a modest space employing two shop assistants and a messenger boy, Harrod's son Charles Digby Harrod built the business into a flourishing retail operation flogging stationery, toiletries, medicines, perfumes, herbs, fruit and vegetables. The initial store business operation tasks involved managing profit and loss, facility management, safety and security and loss prevention among a list of other tasks. But Harrods rapidly grew, acquired the nearby buildings, and boasted some one hundred people by 1880 in its payroll. The operations tasks now required larger scale of human resources management; the execution of a litany of tasks such as recruiting, hiring, training and development, performance management, payroll, and workplace scheduling, etc. In the face of business prospects measuring to Charles Digby's expectation from such a growing retail business the department store was clearly struggling in terms of the operational challenges it had to cope with. The store required more deployment of resources without incurring huge operational cost and at the same time perhaps more employees at the shop floor level to deal with growing customers.

However, Harrod's booming fortunes bit the dust in early December 1883, when it burnt to the ground. Yet Charles Harrod did not renege on his commitments to his customers to make Christmas deliveries that year—and made a huge profit in the process something must be credited to the operational process of the store. It is probably is the defined period in the annals of Harrods history operational excellence could be achieved

At the operational and supervisory level, the people at Harrods responsible for the execution of the tasks fulfilled their functional purposes. Little however could be known as to how much at the supervisory management level the operational objectives were divided into various tasks and activities to execute the Christmas deliveries.

Harrods rose from its ashes -- a new Harrods imposing structure was founded on the same site, and soon Harrods extended credit for the first time to its long roll of celebrity customers --- actor Charlie Chaplin, writer Oscar Wilde, singer and stage actress Lillie Langtry, Shakespearean thespian Ellen Terry, playwright Noël Coward, actress Gertrude Lawrence, psychologist Sigmund Freud, actor and director Laurence Olivier, author A. A. Milne, actress Vivien Leigh and plethora of members of the British Royal Family. While dealing with the celebrity customers it could not have afforded to repeat the same mistakes it committed while dealing with commoners.

During the time of early November 1898, when Harrods almost had recovered from its massive losses, the store founded England's first "moving staircase" (escalator) in their Brompton Road stores; the device was actually a woven leather conveyor belt-like unit with a mahogany and "silver plate-glass" balustrade. It

1832 Robson's Directory: William Robson's Trade Directory is an amalgam of the Midlands and Sheffield. (Accessed on Durham Mining Museum's website http://www.dmm.org.uk)

Rate Books April 1824 to April 1831 (Accessed on http://www.loddon.vic.gov.au/Page/page.asp?page_Id=1478 and the same resources can be accessed at Local

Pigot's Directory of 1826-27 (Accessed on Familyrelatives.com)

"Issue 18210, published on the 10th. January, 1826, page 57". London-gazette.co.uk. http://www.london-gazette.co.uk/search (Retrieved 22 January 2012)

"The First Moving Staircase in England." The Drapers' Record, 19 Nov. 1898: 465.

certainly was a big draw at Harrods as the seemingly edgy customers were offered brandy at the top to revive them after their apparent uncomfortableness with such a surrounding. The department store around this time was largely focussing on product management, including ordering, procuring, pricing, handling damaged products, and returns of purchase. In 1889 the well known Charles Digby Harrod retired, and Harrods shares were floated on the London Stock Exchange under the name Harrod's Stores Limited. Harrods, however, continued growing in size as the initial organic expansion had started in 1894, leading the present building to be flawlessly completed in 1905 in accordance to the design of architect Charles William Stephens.

During the time of World War I Harrods had acted on its corporate strategic level of operations focussing on its expansion. It founded a foreign branch in Buenos Aires, Argentina. The store, however, became independent of Harrods in the late 1940s but still traded under the Harrods name usable only in Argentina Harrods Buenos Aires. The store the Regent Street department store Dickins & Jones in 1914. The World War I stifled the growth of Harrods but it returned business in 1919 by buying out the Manchester department store, Kendals. The latter kept the Harrods name for a short span in the 1920s, but the name was changed back to Kendals following the oppositions from staff and customers.

As Harrods continued to rise over the years there was a change of ownership in 1959 as the British department store holding company, House of Fraser, bought out Harrods. The new ownership insisted on team Development and facilitating staff learning and development.

In 1983 Harrods was at the receiving end of a terrorist attack by the Provisional IRA outside the Brompton store leaving a trail of death (six people died) there was a need for handling unusual circumstances like this.

Harrods reputation as a shopping paradise remained untarnished as in 1985 the Fayed brothers buy House of Fraser including Harrods Store for £ 615 million. With the new ownership consolidation of the existing space happened. As a result the store came to occupy a 5-acre site. Today the department store's shop floor space spreads over one million square feet spreading over 330 departments. The UK's second-biggest shop, Oxford Street's Selfridges, is a little over half the size with 540,000 square feet of selling space.

The Harrods motto is Omnia Omnibus Ubique—All Things for All People, Everywhere – seems to have stemmed out of its operational efficiency. Several of its departments, including the seasonal Christmas department and the Food Hall, are known for serving a diverse and huge clientele.

In its nearly 170-year old history, Harrods have had a total of five owners, the latest being Qatar Holdings which bought the store from Mohamed Al-Fayed on 8 May

2010 for £1.5 billion. Qatar Hodings is an investment arm of the emirate's sovereign wealth fund; Qatar Investment Authority (QIA) with this parent company's estimated assets are estimated to be more than £40.5 billion. According to Al-Fayed's admission, Harrods at the time of his selling had some 5,000 employees. He had issues related to subsidising the pension scheme and his efforts to get a dividend approved by the trustee of his pension fund came through.

Critique Of Improvement Strategies

The biggest operational challenge for Harrods in recent years has been the way technology usage is affecting a buyer's behaviour. According to a KPMG survey, 'UK shoppers are embracing technology, and at a faster pace than many other countries ... 77 percent of British shoppers prefer to buy goods like CDs, DVDs, books and video games online - compared with 65 percent globally.' However, there seems to be a dichotomy when it comes to mobile banking, consumers in the UK is more reluctant than those in other parts of the world. When buying goods or services, the majority of customers (both in the UK and globally) now said that they look at social networks such as Facebook and Twitter and online review sites. Eighty-eight per cent of respondents in the UK and worldwide reported downloading an app to their mobile to keep up with the social networking site. Further, in the UK, 74 percent of consumers said they were more likely to buy flights and holidays online and six in 10 used some form of online grocery shopping. The results clearly shift a mandate in favour of Harrods' consolidation of online shopping. The further online consolidation can certainly make a range of in-store services look more attractive: Beauty, Bespoke Events, Children's Services, Corporate Service, Fashion & Accessories, Finance & Property, Fine Jewellery, Furniture & Interior Design, Harrods Gift Cards, Healthcare, Home & Lifestyle, Sports & Fitness, Theatre & Travel and the Studio - Interior Design & Innovation.

Clegg, Alicia (13 December 2005). "Hot Shops: Retail Revamps". Businessweek.com. Retrieved on 26 December 2009.

http://www.businessweek.com/innovate/content/dec2005/id20051213_744054.htm

Mohammed Al Fayed sells Harrods store to Qatar Holdings

BBC, 8 May 2010

http://news.bbc.co.uk/1/hi/8669657.stm (Retrieved on 01, January, 2012)

Leith, Sam, Mohamed Fayed: Why I sold Harrods
London Evening Standard 27 May 2010
http://www.thisislondon.co.uk/standard/article-23838358-a-four-letter-farewell-from-mohammed-fayed.do
(Retrieved 28, December 2011)

In the orientation of the task allocation as an inclusive part of operational process among 5000 Harrods staff the company must focus on visual merchandising and inventory control as a key to retail success. Since these employees are from 50 different countries working under one roof attending to some 300000 customers during peak days it can be excruciatingly challenging to achieve a definite

operational efficiency. The managers can still be made more responsible for visual merchandising. And more innovative efforts to be made to communicate how to merchandise their stores using direction such as planograms to indicate product placement. Since Harrods brand is bigger than its physical structure the company must ensure the employees who enjoy varied degree of autonomy conduct themselves in the manner as would seem appropriate to company's brand image. It is the big responsibility of employees of Harrods that the inventory is displayed in accordance to consumption demands; shelves are well stocked and products are rotated out of storage areas in regular intervals. It appears to be a daunting job as majority of 1.4 million catalogue items at Harrods are available on the shop floor, and further these are presented appropriately and sold efficiently to build and retain customer loyalty. The science of visual merchandising is also concerned with shrinkage, and Harrods must ensure that merchandising techniques and customer service skills reduce the possibility of shoplifting.

Harrods £1.5 million electronicpoint of sale system was put into use in July 2007 to target customer promotions, discounts and services, and integrate its growing on-line sales operation with the rest of the business. According to the published reports, the move is part of a 5-year strategy to move the store to a service oriented IT architecture as it would allow Harrods sales employees to tailor their approach to customers based on the company's knowledge of customers' preferences and shopping habits. Within the next few months, Harrods was expected to take a stock of the progress to know how its future priorities lie between online or over-counter sales. In 2007 Harrods IT infrastructure could not fulfil such a big ambition as it merely installed a SAP ERP system for stock control and accounting. But it department store certainly had made some noteworthy improvements that year by replacing its 8 year-old Anker tills with DigiPos Retail Blade tills and RBS-Instore epos software from Retail Business Solutions. These efforts certainly had made Harrods little more well conversant with changing technologies. The department store had earlier installed RBS-Instore epos system in its airport stores as part of a trial before implementing it on the 950 tills in the flagship Knightsbridge store.

The marked improvement in operational efficiency impacted on many of the Harrods' IT initiatives such as the department store undertook to work on its loyalty card system. It created three levels from green to gold rising to black towards achieving Harrods' goal for a deeper customer relationship management system known as clientelling. What earlier helped Harrods were the installation of applets such as dynamic currency conversion and sales for export on the tills to facilitate quick transactions accommodating more customers.

The department store facilitated by an Oracle back-end server is retailing online partnering with a huge body of affiliates. A particular gain for the department store has been the tills operated

independently of a central server under RBS-Instore, yet Harrods retained the critical insight into the functioning of the till because of the ERP system.

Today, there are still many IT-breakthrough possibilities for Harrods enabling better operational management, such as identifying customers as soon they enter the store and present them a quickly configured customised service on the floor. But the department store would be still needed to address the privacy issues in such a case.

Harrods needs to realise that while operational excellence alone is not the basis of a sustainable strategy, managing operations remains the key to execute strategies.

Suggestions On Implementation:

Like any other retail situations the operations management at Harrods would concern itself with overseeing and designing business operations in the services. The efficient utilisation of the resources in terms of meeting customer requirements can be the guiding point in managing the process that converts inputs into desired outputs. Any resource based issues in operational management can be addressed under the theory of constraint (TOC). Gupta and Boyd elaborate a commonly accepted categorization of operations decisions such as process,

UK shopping habits transformed by technology, KPMG says

BBC, 5 December 2011.

http://www.bbc.co.uk/news/business-16024079 (Retrieved on 25 December, 2011)

Harrods looks to integrate its online and in-store operations

Computer Weekly, 12 July 2007

http://www.computerweekly.com/news/2240081987/Harrods-looks-to-integrate-its-online-and-in-store-operations (Retrieved on 22 January 2012)

ibid.,

SILK route

quality, inventory and capacity. They conclude that TOC provides approaches to operations decisions that forefend pitfalls of local optimization by reaching across functional boundaries in organizations.

Harrods integration of on-line sales operation with the rest of the business,

ibid.,

Mahesh C. Gupta, Lynn H. Boyd, (2008) "Theory of constraints: a theory for operations management", International Journal of Operations & Production Management, Vol. 28 Iszs: 10, pp.991 - 1012 (Emerald)

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http://www.businessweek.com/innovate/content/dec2005/id20051213_744054.htm

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"The First Moving Staircase in England." The Drapers' Record, 19 Nov. 1898: 465.

Time Travel Explorer (Year) Brompton Road and Harrods
[Online image]. Available from: http://www.timetravelexplorer.com/about/dont-miss/
[Retrieved on 10 December, 2011]

BAT'S RELIANCE ON EFFECTIVE TRAINING INTERVENTION TO COMBAT THE ASYMMETRICAL SPREAD OF TECHNOLOGY BETWEEN ITS DIVERGENT WORKGROUPS

BY MUHAMMAD IMRAN

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Abstract:

The continuous shifting of technology paradigm is affecting the transfer of the technology at the core of human resource development of British American Tobacco (BAT) across geographies. The current study, which limits itself to UK and Pakistan, enquires about the uneven spread of technology engendering asynchronous workgroups similar to a "digital divide" society and how such a gap could be bridged through effective training intervention. The study aims to compare the technologies applied to human resources at two different locations of BAT – UK and Pakistan. It would also enquire whether there can be different human resource development approaches pursued in these two locations with relation to technology diffusion model or Rogers' diffusion of innovations. Within the scope of the research the study would look into Kuhnian paradigm shift affecting the intrusion of technology into a particular workgroup (UK as opposed to Pakistan) and would also closely examine an array of training intervention models to find a solution to the technology polarisation between locations. With relation to sourcing staff, may be with an objective to create an synchronous BAT workgroup across geographies, the research paper would explore the possibilities how much it would vindicate Howard **Perlmutter's** ***three distinctive orientations --*** **ethnocentric,** ***polycentric and geocentric.***

Background:

The author's familiarity with two countries – country of origin Pakistan and current residence at UK – exhorted him to think about a transnational company between these two countries. Since tobacco is a large industry in Pakistan cultivated over 5 percent of the landmass of Pakistan it appeals to the author hugely for its sheer size and the way it has affected people's lives. A huge parcel of land in southern Punjab and Khyber Pakhthoon Kabab province grow tobacco. Since it is an agricultural commodity and the author comes from a largely agrarian society the curiosity for such a topic is natural.

Before undertaking this research, the author has some familiarity with field research, which entails the collection of raw data and creation of new information outside of a typical laboratory experience.

Also, the author is familiar with an array of field research working methods such as participant observation, interviewing techniques or data collection. However, the author probably needs a deeper understanding of protocols that must be devised to mitigate the risk of observer bias and knowledge of a theoretical or idealized explanations of the actual workings of a culture within a social structure. For example, Hofstede's cultural dimension is entirely a new perspective of developing a systematic framework for assessing and differentiating national cultures and organizational cultures.

However, the author particularly relies on his ability to engage with secondary data sources since it would contain a large part of research. With respect to secondary data analysis under the review of literature, the author needs to ensure that all the accumulated current and relevant references consistently follow appropriate referencing style and objective approach is adopted towards the topic with proper use of terminology.

Also, the author needs to orient myself little elaborately with various quantitative designs approaches relying on statistical analysis of cases to create valid and reliable claims through quantifiable evidence. More emphatically the qualitative designs aspects particularly need to be understood as it involves direct observation emphasizing on contextual and subjective accuracy over generality, as this process of communication is extremely vulnerable to inaccuracies.

Research methodology

The research on **British American Tobacco** (BAT) would initially employ an exploratory research method to arrive at a befitting research design, appropriate data collection method and suitable selection of subjects within the scope of BAT's human resources development at two different locations of BAT – Pakistan (BAT in Pakistan known as Pakistan Tobacco Company) and UK.

Drawing any definitive conclusion must be avoided, since exploratory research perceiving of a problem becomes non-conclusive, something if still pursued, may delude the purpose of BAT research. Such a truth is evident from the fact that exploratory research method is not generalizable to the people at large, and this truth bears out in researches, which were to deal with a large organisation such as BAT.

The company directly employing 60000 people in a large swathe of market, a clear leader by a distance in more than 50 markets. Or at least, the undertaken research would be concerned with BAT's work force between Pakistan and UK. Limiting the role of exploratory research to initial stages is supported by no other than Kotler and Armstrong(2010), "the objective of exploratory research is to gather preliminary information that will help define problems and suggest hypotheses."

The suitability of exploratory research methodology in the preliminary stages can serve as a grounded theory approach to qualitative research in unravelling truths about the way human task force acquires knowledge, skills, and competencies aided by technology. It also foils any attempt to derive data from any predisposed hypothesis.

The results obtained from exploratory research though may not be solely reliable for decision-making – no theory cannot be formed from any presuppositions -- but they facilitate the research process by providing significant insight into a particular technology orientation of . BAT at UK and Pakistan. Together with technology diffusion model (Beal, Rogers and Bohlen) and Everett Rogers' theory of diffusion of innovations, the research would make progress towards finding how ideas and technologies spread in different cultures within BAT's global community and innovation in UK is communicated through channels over to a different social system, Pakistan.

Further, the Schutt's tool of social exploratory research can be a particular relevance to the current research, since it seeks out how people get along in the setting under question, what meanings they give to their actions, and what issues concern them. The human orientation of technology holds a sway over a lot of these questions to which Schutt concerns himself with.

It is to be noted that exploratory subsumes its role within an overarching social exploratory research. So as Earl Babbie testifies to this phenomenon, "The purposes of social science research are exploratory, descriptive and explanatory."

"The goal is to learn 'what is going on here?' and to investigate social phenomena without explicit expectations."

Kotler, Philip and Armstrong, P., *Principles of Marketing*, (New Jersey: Pearson, 2010) p 122.
Bohlen, Joe M.; Beal, George M. *"The Diffusion Process"*, Special Report No. 18 (Agriculture Extension Service, Iowa State College, 1957) Vol. 1, Issue May 1957, p56–77
Schutt , Russell K., *Investigating the Social World: The Process and Practice of Research* (Thousand Oaks, California: Pine Forge Press, 2006)

Shields and Tajalli hold a similar view asserting exploratory research is an incisive form of administrative research for its flexibility in approaching the problem hamstrung by data limitations and the need to make a quick decision. They insist, even the qualitative research method can employ a case study or field research in exploratory research and all three --
exploratory research, descriptive research and causal research find their role within the domain of social research.

At BAT case, the collection of some data poses certain difficulty; hence the need for exploratory research as it is flexible and can address questions pertaining to 5Ws and one H.

Also, as the initial stage of BAT research requires to generate formal hypotheses for them to be narrowed down to some conclusive theories later, the exploratory research appears to be the most suitable in its choice. Henceforth, a conceptual framework-working hypothesis on BAT can follow from the findings of exploratory research, affirms Shields and Tajalli.

The secondary research assumes a particular importance, as the employed exploratory research is contingent on reviewing literature and analysing data. The method would take its due diligence through a series of qualitative approaches to engage BAT official sources, customers and other stakeholders in Pakistan and UK.

Within the scope of social research, the descriptive research would be a big utility to BAT in order to know the market potential for its tobacco product or the demographics and attitudes of consumers who buy the product.

The causal research within this broad social research can test hypotheses about cause-and-effect relationships, such how a certain pricing or government taxation policy can either increase or decrease the demand for BAT tobacco products. There is a strong argument in favour of undertaking the causal research as one of the research goals is to determine which variable might be causing a certain behavioural pattern, i.e. whether there is a cause and effect relationship between variables, and so on.

In order to ascertain causality -- causes and effects are typically related to changes or events, candidates include objects, processes, properties, facts, states of affairs and variables -- it is plausible to hold the variable that is assumed to cause the

Babbie, Earl. *The Practice of Social Research.* (Belmont CA: Wadsworth Publishing, 2003)
Shields, Patricia and Hassan Tajalli. *Intermediate Theory: The Missing Link in Successful Student Scholarship.*
Journal of Public Affairs Education. (2006) Vol. 12, No. 3. p. 313-334

change in the other variable(s) constant and then measure the changes in the other variable(s).

The deeper psychological considerations must be taken into account to know the direct and intervening factors influencing the causal relationship, especially when dealing with all the BAT people's attitudes and motivations.

During the second stage of the research, a more formal approach would be deliberated upon on conducting pilot studies, in-depth interviews, focus groups, projective methods and case studies.

All the preliminary social science methods can serve as a guideline for solving a BAT problem, with specific components such as phases, tasks, methods, techniques and tools assume a particular significance within the scope of research. Thus, the research process engenders a particular discipline in terms of the analysis of its principles of methods, rules, and postulates and then progress to a more systematic study of methods.

At the beginning of the second leg, the systematic study of methods, the small-scale pilots appear to be most appropriate in order to evaluate feasibility, time, cost, untoward events, and effect size (statistical variability) in an effort to arrive at an appropriate sample size and improve upon the study design prior to performance of a more elaborate research through in-depth interviews and other techniques.

A pilot study at BAT would be conducted on members of the relevant stakeholders in the business, but not on those people who will form part of the final sample. Following the advise of Haralambos and Holborn, such an approach is carefully thought-out because it may influence the later behaviour of research subjects if they have already been involved in the undertaken research.

The in-depth interviews would be reliant on probing of the participating members' personal opinions, beliefs, and values. The laddering technique can be used during the in-depth interviews in which questions initially can be asked about external objects and external social phenomena, then proceed to internal attitudes and feelings. Also, the techniques such as "symbolic analysis" (deeper symbolic meanings are probed by asking questions about their opposites) and "hidden issue questioning" (concentrate on deeply felt personal concerns) can be selectively employed to a great effect.

Haralambos, Michael. and Holborn, Martin, *Sociology: Themes and Perspectives* (Glasgow: Collins Education, 2000) p 998

Thomas, G., A typology for the case study in social science following a review of definition, discourse and structure. *Qualitative Inquiry*, ((2011) Vol. 17, No. 6, p 511-521

The focus group at BAT would be asked about their opinions, beliefs and attitudes towards overall training, and the various training techniques and tools that would be used. In the configuration of the focus group, a particular care would be taken to ensure that the group dynamics as it is useful in covering an issue thoroughly and developing new streams of thought. Both online and teleconference focus groups would be used as opposed to other variants such as dual moderator, two-way, or respondent moderator focus group.

BAT as a case study can embark on an intensive analysis of an individual unit, such as a group or person, group, emphasizing on the developmental factors in relation to the training and development context. The explanatory nature of the case study can be used in the BAT context to investigate causation in order to find underlying principles. The BAT case study may be prospective, in which a series of criteria would be established and events dovetailing the criteria would fall within the cope of research as they become available, or retrospective, in which criteria would be established for selecting events from the annals of BAT for inclusion in the research.

In the selection of training methods fulfilling the individual needs in line with overarching organizational objectives, as Gary Thomas would like to interpret, "the case that is the *subject* (**scope of training and development and Training techniques and tools at BAT)** of the inquiry will be an instance of a class of phenomena that provides an analytical frame — an *object* — within which the study is conducted and which the case illuminates and explicates."

The interactivity with the participants of the interview would be a high priority, irrespective of the interview form. For example, RSS feed, a family of web feed formats used to publish frequently updated works such as blog entries, news headlines, audio, and video in a standardized format, would be able to obtain the most up-to-date information.

The research would also source its methods from Bass and Vaughan's discourse on conditions of learning, designing and assessing training needs and administering and evaluating training programs.

Literature Review and Analysis:

British American Tobacco (BAT) Plc., world's second largest quoted tobacco company following Philip Morris International, is employing 60,000 people in its massive supply chain logistics spreading over 180 markets. Sustaining a massive global presence the company boasts one in every eight cigarette consumers in a total population of world's one billion adult smokers spanning a huge land mass from UK to Pakistan.

BAT's multi-cultural workforce (1700 in Pakistan and 2000 in three different locations in UK) realises adoption of technology and the related training is instrumental to organisational growth as these form the core of its apprenticeship and provides the backbone of the acquisition of knowledge, skills, and competencies. At BAT, the technical training's particular emphasis is on improving an employee's capability, capacity, and performance.

At BAT there is always a need to continue training beyond the threshold skill requirement as changing technology paradigms enforce new standards: to maintain and upgrade skills. Technology thus forms the core of continuous professional development, which can be partly fulfilled at the workplace known as on-the-job training. The comparison on the ground between UK and Pakistan can be made in view of on-the-job technology training, using the actual equipment, documents or materials, tools.

A particular effort to know the off-the-job undertaken skills development to improve technology performance can imply how productive work forces are created at different BAT locations. At BAT, the off-the-job training has the advantage that it allows employees to focus on the training itself without bothering about attending to the tasks at the workplace. Though the off-the-job training has proven more effective in inculcating concepts and ideas it still does not mitigate the relevance of on-the-job training.

To know BAT choice between on-the-job and off-the-job training at different locations facilitating a particular orientation towards technology adoption at the workplace (UK or Pakistan) can be an interesting revelation.

The investigation can be particularly aided by Beal, Rogers and Bohlen's technology adoption lifecycle model (Rogers later developed it as diffusion of innovation) as it describes the adoption or acceptance of a new technology, according to the demographic and psychological characteristics of defined adopter groups, which would widely vary between UK and Pakistan. The adopter groups should not be limited to merely direct employees but indirect employment through supply chain logistics, internal and external suppliers and outsourcing agents, etc.

The focus on performance improvement rather than training -- a growing emphasis on the approach to human resource development – can provide an appropriate context for the technology adoption in UK and Pakistan. It is not appalling to arrive at findings such as a part of BAT at a particular location has moved towards becoming a learning organisation while others are still in transition. The transition from a mere knowledge management hub to a learning company is being experienced by a diverse human resource practices. Peter Senge (1990), perhaps the earliest theorist to recognise this paradigm shift, purporting that the entire global business community is learning to learn together and identifying five salient features of a learning organisation: systems thinking, personal mastery, mental models, team learning, shared vision. His views were reinforced by Pedler *et al* (1996), "a company that facilitates the learning of its members and continuously transforms itself."

No matter whether BAT at different locations has transformed itself into a learning organisation or not, the approach to technology through training would always remain at the core of its growth.

According to Rama *et al* (1993): "There are three approaches to training: (1) the traditional approach, (2) the experiential approach, and (3) the performance-based approach In the traditional approach, the training staff designs the objectives, contents, teaching techniques, assignments, lesson plans, motivation, tests, and evaluation.

The focus in this model is intervention by the training staff. In the experiential approach, the trainer incorporates experiences where in the learner becomes active and influences the training process. Unlike the academic approach inherent in the traditional model, experiential training emphasizes real or simulated situations in which the trainees will eventually operate.

In this model, the objectives and other elements of training are jointly determined by the trainers and trainees. Trainers primarily serve as facilitators, catalysts, or resource persons. In the performance-

Bass, B. M., and Vaughan, J. A. *Training in industry: The Management of Learning.* (London: Tavistock Publications, 1966) p 42-71 & 76-150
British American Tobacco official website
http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO52ADCY?opendocument&SKN=1
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see chapter 1 "Give me a lever long enough...and single-handed I can move the world" Senge, P.M. *The Fifth Discipline: The Art and Practice of the Learning Organization* (London: Random House, 2006)
Pedler, M., Burgogyne, J. and Boydell, T. The Learning Company: A strategy for Sustainable Development (London: McGraw-Hill, 1996)
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Gopinath, C. and Sawyer, J. (1999). *Exploring the Learning from an Enterprise Simulation*, Journal of Management Development, Vol. 18 Issue: 5, p 477

based approach to training, goals are measured through attainment of a given level of proficiency instead of passing grades of the trainees. Emphasis is given to acquiring specific observable skills for a task. This performance-based teacher education (PBTE) model, developed by Elam (1971), is mostly task or skill centred and is also applicable to non-formal educational organizations such as extension."

Rama *et al*'s insistence on training simulation draws a parallel with Gopinath and Sawyer's seminal article published in Journal of Management Development titled Exploring the Learning from an Enterprise Simulation.

According to with Gopinath and Sawyer(1999), "A training simulation is a virtual medium through which various types of skills can be acquired.'

At BAT, the training simulations can be used in an array of genres, particularly, in the situations to improve production skills.

The technology intervention in the tobacco industry transformed it from a manual process of cutting and storing tobacco in giant silos before proceeding to mix the ingredients such as humectants, processing aids, and brand specific flavors. People, hugely dispersed on a factory floor, glued and rolled cigarettes at the same time, and hardly could produce more than a few dozens in a day. The highly automated process at least rolls out 6000 meters long spool of cigarette to place tobacco in it; thus, produces up to up to 20000 cigarettes per minute.

Since the simulation implies an imitation of a real-life process in order to provide a lifelike experience, usually in a technologically controlled environment, the method can be proven to be extremely reliable that can allow specialization in a certain area, and to educate new recruits in the workings of the tobacco industry.

To situate training simulations in the current working environment of BAT, these need to be integrated into the existing training programme. Such as an exercise would allow the employees to get the maximum value from the training, as well as human resource department to review the sessions in order to improve these training simulations for future use. BAT could structure of a training programme as follow:

- Exordium: BAT would arrange lead trainer (plus a specialist in the training simulation) will meet the trainees and give them an overview of the purposes behind the training and what the participants should expect to achieve.
- Pedagogy: The participants would also receive one or more lectures around the topics that the simulation will be based on, in order to inculcate an idea of the type of skills the trainees would require.
- Simulation: The simulation will take place, allowing newly-acquired skills to be tested and practiced.
- Summative Assessment /Evaluation: Once the simulation is done, BAT should insist on knowing how the participants would like to summarize what has been learnt and the effectiveness of the training simulations.

The end-part, so-called evaluation particularly needs to be underscored. Robert Brinkerhoff certainly has realised its importance more than anybody else. "HRD Programs do not always work. And when they do work, they sometimes do not work as well as they should. A major tool for making HRD work better is evaluation."

BAT may make itself available to any readily available simulation package, since there is an wide array of training simulations befitting different needs, fulfilling various organizational aims and objectives, but the tobacco company must outline a specific skill-set that will be improved by taking part in a training simulation. For example, the skill could be high-speed laser perforation technologies for cigarette tipping paper. Through training simulations the participant may learn how without the use of components like beam switches, masks, needles, choppers or perforation electrodes, the contact-free laser perforating process offers optimum hole quality and process control. The existing technical employees who are so far relying on the old technologies, would now be able to familiarize themselves with modifying production parameters, as a result the changing market requirements or future law restrictions can be met with great flexibility and without additional investments. The training simulations can be extended to a wide array of soft skills.

The need of training related to technological learning process is vindicated in a research conducted by Ignatius *et al* (2004). The research observed differing patterns in the entire technological learning process and found that although functional groups acquire high levels of knowledge to address their tasks, yet it was not embedded into the organization's collective memory as a whole. This was attributed to the inability

Brinkerhoff, R. *Achieving Results from Training* (San Francisco: Jossey-Bass, 1999) p3

Dr. Omar , Che Mohd Zulkifli Che. *Organizational Commitment and Climamate in Training Objectives and Implementation on Organizational Training Needs: Extent of Orgamozatopmal Structure as a Moderating Effect ,* The Journal of Human Resource and Adult Learning Vol. 5, No. 2, December 2009 of the firm to retain the knowledge that it has acquired, which might be the direct result of the high turnover in the electrical and electronics industry. Ignatius et al. (2004) also hinted that the vacuum created as a result of brain drain left from was not filled at a rate fast enough despite high levels of knowledge acquisition.

At BAT, the integrated training should all the members to take part in the training simulations to gain maximum experience possible, as well as providing a new perspective on the tobacco business. In the due course of time, the initiation of training simulations would enable BAT to specialize in certain training simulations making the process as streamlined and efficient as possible.

Broadly the training simulations can be summarised as follow:

Orientation or Onboarding: Before participating in the training simulations, the participants most likely would have little idea of how a real life situation. Training Simulations allow members to temporarily have control over a virtual environment, to see whether their actions lead them to success.

Time Management: Training simulations contain timed sessions, which will test the participant's skill in submitting decisions within the allotted time.

Human Relations to achieve better Coordination: The training simulations involve working in groups or pre-defined teams; improving the abilities to communicate effectively, delegate tasks and resolve the conflict in any situation.

Problem solving Ability: Training simulations are likely to present challenging circumstances that must be thought through logically to be arrived at a conclusion, similar to problem solving in a real life situation. Little to say that successful resolution of these problem-solving situations testifies to appreciable management skills.

The delivery of training simulations in the context of BAT's learning environment would always be a difficult choice between pure training and discerning education. Edwin Flippo (1961) differentiated between education and training, locating these at the two ends of a continuum of personnel development ranging from a general education to specific training.

While training is concerned with those activities which are designed to improve human performance on the job that employees are at present doing or are being hired to do, education is concerned with increasing general knowledge and understanding of the total environment. Education is the development of the human mind, and it increases the powers of observation, analysis, integration, understanding, decision making, and adjustment to new situations.

Training in whatever form is needed to be integrated to organisation's overall business objectives, BAT is no exception to this thumb rule. Peter Bramley concurs with this truth: “Training managers are being confronted with sharpened expectations and the requirement to win the training budget against other priorities. In order to win these resources it has become necessary to demonstrate the links between training plans and corporate objectives and then to establish the value of the plans when they are implemented. Evaluation is central to this process....”

BAT recognises recruitment as a part of its long-term strategic exercise to continually improve the quality of management with a consistent focus on future requirements.

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CHALLENGES OF RETAIL INNOVATION: A STUDY OF TESCO'S MARKET ENTRY INTO USA

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Abstract:

his study looks at the market entry of one of the largest retailers of Tesco, into the USA. Tesco launched a couple of new brands has been a bold move which has been in light of the companies success in relation to overseas investment. The study takes a historical view of retail innovation which has predominantly flowed from the US to the UK. This study aims to highlight the fact that Tesco's move is unusual in terms of market entry innovation as well as the reversal in the direction of knowledge transfer. The launch of the new brand 'Fresh and Easy Neighbourhood Market' is analyzed in terms of the ten dimensions of innovation relevant to market entry.

Tesco is one of the largest food retailers in the World which employs over 470,000 people across approximately 4,331 stores in 14 different countries across the World. The company generated revenue in excess of £54 billion in 2009 and operates mostly in Europe, Asia and the USA. Tesco's head office is located in Hertfordshire in UK. The commercial network portfolio of Tesco consists of more than 960 Express stores selling around 7,000 products including fresh foods; 170 Metro stores selling a variety of food products and 450 superstores which sells both food and non-food products such as DVDs and books. Tesco also provides online retail service along with broadband internet service and financial services through Tesco Personal Finance. Tesco was established in 1919 with its very first store in Edgware, London in 1929 (Datamonitor, 2010). Tesco has over the years evolved to the market leader position in the UK within the food retail industry. (Datamonitor, 2010).

Tesco announced its plans to enter the US market on 9th February 2006 with a range of extensive convenience stores which were to be launched in the West Coast US Markets in early 2007. Tesco already had more than 50% operations located overseas mainly due to its presence in Central and Eastern Europe as well as East Asia. The US venture was thus deemed as a step-change in both market entry risk as well as the scale.

For the US market Tesco planned to launch what it termed as 'Fresh and Easy Neighbourhood Markets'. These stores were modelled and built upon highly successful Express concept but the format in the US markets was larger than that of conventional Express stores. Sir Ian MacLaurin stated that the US is a problematic market to enter for retail businesses because of different cultural norms as well as brand domination. However Tesco were considered to be bold in their approach to the US in the sense that *"their expansion strategy…centre[d] on an unprecedented bid to establish both a store network and a proprietary distribution system at the same time"* (Financial Times, 23 November 2006).

This report is structured in the following manner. The next section, section 2 talks in detail about the relevant academic literature on retail innovation. This section takes a historical view of the concept of retail innovation and knowledge transfer which characterizes the industry. Section 3 discusses the various dimensions of retail innovation in line with Tesco's move to the US in 2007. The final section, section 4 discusses a number of important issues which arise from these dimensions.

Literature Review

There is significant literature which focuses on the transfer of retail innovation from the US to the UK (Alexander et al., 2005). There are a number of studies which have focused on the development of the supermarkets in Britain in the 1950s and also on the import of self-service shopping technology (du Gay, 2004). The transfer of the self-service shopping technology or the supermarket concept occurred implicitly through the emulation of US retail strategies by UK retailers or explicitly through the internationalization of North American firms when the players began to move into Europe (Alexander et al., 2005). However this was not the first time retail innovation flowed from the US to the UK. Previous studies strongly stated that the opening of Selfridge's department store in Oxford Street in 1909 by Gordon Selfridge who was an American entrepreneur (Nava

1997, 1998) and also the Woolworth's "Five and Dime Stores" which crossed th Atlantic in 1909 as well to move in as a chain in the UK were more than living examples. Woolworth's "Five and Dime Stores" survived in the UK well after the cease of trading by the US Parent company in the late 1990s (Pitrone, 2003; Plunkett-Powell, 1999; Zukin, 2004).

There are many other notable American retail innovations which have probably been overlooked. These included but were not limited to trading stamps (Corina, 1971; Humby and Hunt, 2004), the shopping trolley, self check outs, cash registers, refrigeration and air-conditioning (Bowlby, 1997). However the vital role played by Executive Travel should also be highlighted here as a matter of importance which actually allowed them to gather information on potential innovation and this role played by retail executives have been termed as 'knowledge activists' (Brown and Duguid, 1998; Gerrtler, 2003). They have contributed greatly to the transfer of retail knowledge and the exploitation of new ideas.

Tesco's Move And The Dimensions Of Innovation - An Analysis

Tesco's new venture, the 'Fresh and Easy Neighbourhood Market' opened on 1st November 2007 in Hemet which is situated 75 miles east of Los Angeles. In light of this the Financial Times stated:

'Tesco…has staked its fortunes on an innovative new store that is about a quarter of the size of a traditional US supermarket, building on the success in the UK and Europe of its Tesco Express local stores. Some elements of the Hemet store will be familiar to UK shoppers. But the store also includes a "kitchen table" where a staff member heats up samples of prepared foods such as pizza and chicken curry. In a further innovation, all the check-out registers require customers to scan their own goods with staff on hand to assist' (Financial Times, 4 November 2007).

A few other such supermarket were also opened in late 2007 in other areas such as Las Vegas, Phoenix and Southern California in low as well as higher income markets which were followed by more openings in 2008. These range of convenience stores were *'designed to draw customers back to their local neighbourhoods' (Tim Mason quoted in Financial Times, 13 February 2007).* This was followed by the construction of a 675,000 sq. ft distribution centre in Los Angeles in the Riverside County and was led by two British suppliers. 2 other sister concerns, Nature's Way Food and 2 Sisters Food Group established US operations to supply Fresh and Easy with certain dishes (Financial Times, 3 January 2007). Despite having no brand recognition and no customers initially the firm intended to push forward claiming to be able to move forward as part of its planned international growth. Tim Mason, the CEO of Fresh & Easy described the venture as a '*transformational moment*' in the firm's history stating that:

"The brand is designed to be as fresh as Whole Foods with a value like Wal-Mart, the convenience of a Walgreens and a product range of Trader Joe's…that leaves us with a specific edge in the market" (Financial Times, 1 December 2007).

Tesco Official website: www.tescocorporate.com (Retrieved on 10 January 2012)

Dimension 1 – Physical market entry preceded by online entry

Tesco had a 35% stake in the e-ecommerce operations of a leading Supermarket Chain, Safeway in 2006 for £16 million. The logistics of the operation was based on exactly similar methods of Tesco and the use of store-based service to serve internet customers. Tesco Chief Executive described the acquisition in 2001 as the perfect combination necessary to bring online grocery shopping to the World's largest market (E-commerce Times, 25 June 2001). Tesco was very diligent in the joint venture relationship with Safeway and the decision to come up with its own store network in the US. The entry to the US market was benefited by the experience gained from the Safeway venture. This was further complemented by Tesco's superiority in customer insight and customer loyalty-card data interrogation (Humbly and Hunt, 2004).

Dimension 2 – Anthropologies of Innovation

In the 2008 volume 'The Innovation Acid Test', Andrew Jones drew attention to the increasing use of ethnography in large firms to understand peoples needs and desires emerging from their lifestyle and work. At Tesco, Corporate Affairs Director Lucy Neville Rolfe is on record as stating:

"Spending time with people in their houses, looking in their cupboards and fridges and actually shopping with them is a great way to understand the market" (The Times, 3 September 2006)

Prior to the launch of the Fresh and Easy convenience stores, a team of research executives visited a range of US customers and launched a detailed investigation which eventually helped them to design their store as an 'American Store serving the needs of American Customers' (Sunday Times, 10 June 2007). The research team that was involved in this investigation had a big role to play in developing this new store concept and in the process of intra-firm knowledge transfer which greatly helped in the US market entry venture.

Dimension 3 – Follower-Supplier relations and integrated production and distribution network

As stated before Tesco distributed a large distribution centre in Los Angeles in the Riverside County which was a strong platform for the form to commence business in South California and the US (The Business Press, 2 October 2007). The set up of this centre was vital to meet demands of the dense store network and also in the fact that Tesco had become a food manufacturer for the US customers for the very first time. In the distribution centre a 80,000 sq. ft food preparation facility was built which allowed the firm to prepare better standard of meals than the ones available in the US market. Raw materials for the food products are mainly supplied by two main UK suppliers of Tesco which followed the retail to the US and this follower-supplier relation is ain innovative dimension of the UK –US knowledge transfer in the retail sector.

Dimension 4 – Product Innovation

The product innovation which is facilitated at the distribution centre is reflected at the stores by a higher level of own label products than is usually found in the US food retail industry. More than half the range of products stocked up are their own labels and the range is all the way from staple food to luxury delicacies. Moreover there is a kitchen table at each Fresh & Easy store where food samples are offered to customers. The UK retail food industry has been characterized by world class skills in the range of prepared meals. And this is the first time this skills segment has been transferred from the UK to the US. This special aspect has been a revolution in the retail food industry and has led Tesco to achieve a high quality innovative positioning.

Dimension 5 – Trialling of Formats

Tesco was extremely careful prior to its launch of operations in the US market. It disguised itself as film industry moguls and made sure that they did not alert their competitors about their market expansion intentions. It carefully built and stocked a complete mock up of a Fresh and Easy store inside a warehouse. In this dummy store they tried a range of formats and layouts and managed to hide their true identity until they were ready to declare in public about their launch of the US operations. Dawson (1994) stated that it is very difficult to protect knowledge in the retail internationalization process. According to Currah and Wrigley (2004) and Wrigley et al (2005)it is a norm by competitors to engage in front region emulation. Hence transnational retailers focus on achieving competitive advantage from process-based know how. Tesco entered the US market with an attempt to protect front region knowledge and market research and testing to gain an insight of consumer reactions.

Dimension 6 – Service Innovation and Employment

Service innovation has occurred simultaneously with technological innovations as was evident in the 20th century during the launch of the supermarket and the self service and these are the main drivers of productivity in the food retail industry. Fresh and Easy projected a simple business model at having no checkout staff at convenience store locations. This strategy is characterized by enhanced operational efficiency and substantial savings in cost. However this was a high risk strategy adopted by Tesco in a country where customer service is highly valued. Simon Uwins, Fresh & Easy's Marketing Director, in his regular blog on the firm's website clarified what he means by 'assisted service':

"If you want to checkout yourself, you can, if you want help we'll provide it, and if you want us to do it for you, we will. In doing this, we've managed to create a whole new level of customer and staff interaction. The checkout operator is no longer part of the machine. Rather, our customer assistants are there to help, with the added benefit that our checkouts are open all the time...Our customers are overwhelmingly positive. We've managed to combine technology and people to enhance their experience." (Simon Uwins, Talking Fresh & Easy blog - 'Where are the robots at Fresh & Easy?' Wednesday April 16 2008, 9.12 pm)

In time this service innovation has proved to be highly successful. It is worth noting here that Tesco had introduced the self checkout facility long before 2007 in Bishopsgate in London. The store now hosts the largest single store self checkout system in Britain. This is a living example of innovatory cross fertilization between the US and the UK.

Dimension 7 – Digital Marketing

One of the key aspects of Tesco's market expansion to the US has been the adoption of viral/digital marketing technique. Electronic marketing is deemed to be much stronger in the US than in the UK through weblogs and blog marketing (Wright, 2006). If we look at the last election we can see that Barack Obama owes his political campaigning to the use of Web 2.0 technology which was used to build an online community. Simon Uwins, the Chief Marketing Officer at Fresh & Easy articulates the contribution of digital marketing to the firm's strategy:

'Early on one of the things we said about establishing as a business was effectively to start having a conversation. You know, we are an unknown, so lets be clear about… what we stand for and then lets continually demonstrate that… we're living up to what we say we are doing… So that was a starting point in our, for want of a better word, strategy'. (Uwins, personal communication, 2008)

A total of 60 blogs have been posted within the first 18 months of the commencement of Fresh and Easy's operations. The blogs resulted in over 300 responses from customers and hence this digital marketing allowed a fluid and fast flow of information between the firm and its stakeholders.

Dimension 8 – Innovative Location Strategies

One of the key aspects of Tesco's operations in the US was that it decided to serve all kinds of people in different neighbourhoods. Their locations varied across the income, ethnicity and class range such as Hollywood, upmarket Manhattan Beach and the ethnically segregated Compton is South Los Angeles. The firm focused on low income deprived communities who lack access to food retail (Wrigley, 2002). Opening of stores in low income areas such as the Hispanic and African – American Compton, Hemet, Glassell Park and East Rock justify this statement. The firm has even expanded operations in other low income areas of Northern California such as the inner city of Oakland and Bayview Hunter's Point Neighbourhood in San Francisco. This is an example of the firms willingness to enter into 'urban regeneration partnership arrangements' such as those in the UK (Wrigley,Guy and Lowe, 2002). The strategy has also been to focus on areas which have been neglected by rival food retailers.

Dimension 9 – Consumer Intelligence

Soon after Tesco's impending US market entry, Britton Manasco, a journalist who has written for the *The New York Times* and the *Harvard Business Review* posted a blog on *Corante* which argued that Tesco would drive "an acceleration of intelligence-driven retailing in America"

He pointed to Tesco as an innovator in customer intelligence and stated this was a very huge competitive advantage for the firm. Much of this can be attributed to Tesco's superior data mining and marketing focused usage of customer data generated by its Clubcard operations. The Clubcard has been one of the World's most successful loyalty scheme (Gould, 2004). Even though Fresh & Easy does not yet operate a loyalty card scheme the customer intelligence is built around extensive and innovative customer insight research. There has been extensive research conducted to understand they dynamics of multicultural American consumer market. This has been evidenced by pre-market entry anthropological ground work as well as an tempt to understand the complex nature of the Hispanic and Asian consumption patterns.

Dimension 10 – Publicity Betting The Firm

The Fresh & Easy venture has been titled as one of the biggest gambles of Sir Terry Leah and the CEO gained £10 million plus bonus with the success of the US venture (Sunday Times, 2006). This was a very risky venture as the CEO had to risk putting his reputation on the line having made Tesco a transnational operation in a hostile financial market under public scrutiny. Failure in the US market would have strongly impacted on the standing of the firm in the international financial market. Leahy's right hand, Tim Mason, the potential successor to the roe of CEO has largely been involved with the "public betting of the firm" Mason who is the pioneer of the Clubcard scheme and also the CEO of Fresh & Easy has largely been responsible for the strategic investments of the firm. As CEO of Fresh & Easy he is playing a crucial role in Tesco's strategic development in the US. Tesco executives strongly believe that Sir Terry has a knack of coming up with ideas which other people have stated impossible to achieve but he has done It and also bringing out the best from difficult situations.

Conclusion

Since the mid 200s Tesco has rapidly transformed into a globally acknowledged transnational corporation and now after its entry into the US has more than 60% operations located outside its home market. However Tesco's success of corporate transformation and successful performance in the global economy has received little recognition or acknowledgement. By 2007 and 2008 Tesco had rapidly expanding international sales which amounted to over £10 billion per annum with an operating profit of more than £600 million which eventually ranked the firm as the World's fourth largest retail business. Moreover Tesco's international operation skills allowed it to gain success in markets where two of the Worlds leading transnational retail businesses, Wal Mart and Carrefour failed. This can be easily seen with a focus in South Korea where both Wal Mart and Carrefour failed and exited in 2006 but which is Tesco's second largest market after the UK. Tesco's corporate transformation since the 1990s is one which illustrates the hidden innovation in UK retail industries.

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IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON SAINSBURY'S CONSUMERS' ATTITUDE AND PURCHASE DECISION

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Abstract

The aim of the paper is to study the impact of Corporate Social Responsibility (CSR) on Sainsbury's consumers' attitude and purchase decision. To accomplish the research objective the deductive research approach has been found to be appropriate as it hints at the necessity of an intricate communication with the customers. The paper argues for increase spending on CSR believing it strengthens the financial performance, thus allowing a part of the benefits to be ploughed back into CSR activities.

Research Context

The idea of CSR is for society and the environment adequate functioning of the organisation of services takes society and the environment. CSR is closely linked to corporate responsibility, corporate citizenship and sustainable management. The CSR concept is developed in the names of three 3 Ps - People, Planet and Profit (Elkington, 1998 and 2004). "People and the Planet of the past represent the social and environmental values , respectively, and" Result "is the economic value of organisations. A fundamental aspect of CSR is responsible for the well-being, comfort and convenience. The European Commission is responsible for defining corporate social responsibility (CSR) as "the concept of voluntary contribution of companies to a better society and cleaner environment through the integration of society and the environment in the operation of the undertaking in accordance with relevant parties. Consumers live in society. So society is a very important of corporate planning process. The competitive advantage of organisations likely to be stronger CSR effectively what is stated by Mohr et al (2001). Consumers are increasingly aware of the business. CSR functions as a competitive advantage because it contributes to the evolution of consumer impression about the organisation. In addition, Maignan and Ferrell (2004) argue how customer satisfaction is positively correlated with CSR activities of the organisations. Moreover, Pirsch et al. (2007) argue that cross-border cooperation in the most effective way to increase customer loyalty and develop a positive attitude and confidence in the company. For these dimensions if different benefits large companies are now part of the budget for CSR activities to society in general. As a contribution to society over the area of consumer attitudes and buying decisions is important to study and, therefore, the project was prompted to do so given the attitude of the customers of Sainsbury's and the decision of the purchasing decision the effects of spending on CSR.

Case company profile

Sainsbury's is the third largest supermarket chain in the UK after Tesco and Asda with 16.5 percent market share what was founded in 1869 though it was positioned first in the industry in 1922. Top position of Sainsbury's was taken over by Tesco in 1995 and Asda in 2003. Employees of Sainsbury's was numbered around 147 thousand in 2010 while its sales revenue was around GBP 20 billion with net income of GBP 585 million. Its mission statement is "to be the consumer's first choice for food, delivering products of outstanding quality and great service at a competitive cost through working 'faster, simpler and together". Including hypermarkets, supermarkets, and convenience stores Sainsbury's operates 872 stores of which 335 are convenience stores. It went for diversification as well and significant one is its diversification to banking sector in the joint venture with Lloyds Banking Group.

The corporate goal of Sainsbury's is to "deliver an ever-improving quality shopping experience for our customers with great products at fair prices. We aim to exceed customer expectations for healthy, safe, fresh and tasty food, making their lives easier everyday". In the 5 areas Sainsbury's sets its business priorities what were revealed in March 2007:

1. Fair priced great food
2. Growing with "complementary non-food" goods in accelerated way
3. Introducing supplementary channels for expanding customer base
4. Expansion of the space in supermarkets
5. Actively involving in property managemen

Areas involved in the concept of corporate social responsibility are carefully covered by Sainsbury's by allowing much significance. It consciously tries to help customers in having healthy balanced diet, closely works with suppliers and farmers to ensure fair-trade, operates carefully to keep negative impact in the environment at its minimum, actively plays role for the welfare of the community, remains considerate and compassionate to make Sainsbury's a great place to work, and remains dedicated to keep shareholders satisfied with growing profit. All these evidently cover the welfare to people, planet, and profit what are the key areas of corporate social responsibility. (Data source: corporate website of Sainsbury's).

Certainly, Sainsbury's allocates a significant portion of annual budget for smooth operation of its CSR programmes mentioned above. The project aims to answer how their contribution to the society makes impact on the area of customer attitude and purchase decision making.

Aim and objectives of the proposed study

The research aim has been set to study the impact of Corporate Social Responsibility on Sainsbury's consumers' attitude and purchase decision. Basing on the broader research aim, following specific research objectives have been emerged:

1. To critically analyse the implication of CSR at Sainsbury's
2. To investigate the impact of CSR activities of Sainsbury's on its consumers' attitude and purchase decision.
3. To develop a set of recommendations for a more effective CSR practices at Sainsbury's basing on the studied consumers' attitude and purchase decision. Delimitations of the study.

The study intends to find the influence of only CSR on customers' attitude and purchase decision making keeping other relevant factors like quality and price of products and services constant. Therefore the study is not expected to give the total view of customers' attitude and purchase decision making. Moreover, the study is designed to investigate only on one organisation, that is Sainsbury's, and therefore, the study outcome can not be generalised outrightly unless similar kinds of studies are conducted in combination.

Theoretical framework

Key factors of corporate social responsibilities

In the book "Cannibals with Forks: the Triple Bottom Line of 21st Century Business" triple bottom line concept of CSR is introduced by Elkington. The concept emphasise on the contribution of social and environmental values along with the economic value in corporate success. "People" and "Planet" of triple bottom line represent social and

environmental values respectively and "profit" represents economic values of organisations. Furthermore in 2004, Elkington proposes seven key factors of CSR that are discussed below:

Markets: Market is considered to be an important driver of CSR. Types of market help the organisations to find out a right corporate social responsibility.

Values: A value is considered to the personal and social ethics. Corporations have also some values to serve the society

Transparency: CSR activities need to be transparent enough in the corporate policy. It has to be stated clearly what they are going to do, for whom, how it will benefit the society or environment, how much budget and how it improves corporate image.

Life – cycle technology: Technology is changing continuously. This has to be monitored and adapted with the changes along with new strategies.

Partnerships: With the changing situation in technology, environment, society or economy corporations have to change their strategies to cope with the requirement of new changes. They may try to find out new strategic partner or a new alliance which enable them to do the CSR functions also together.

Time: Time is another important driver in CSR. Corporations have a clear framework of their time plan as when they will do what. In order to build a good corporate image implementing plan on time is important.

Corporate governance: Whatever is done in compliance of corporate social responsibility, it is needed to ensure promoting corporate fairness and transparency through corporate

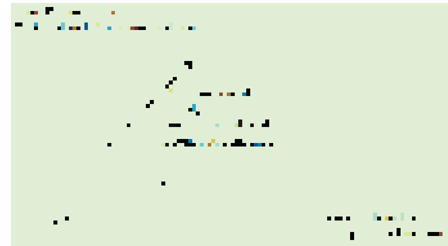

Figure .: Concepts of CSR Source: Created by the Author (2011), adapted from Porter and Krammer (2003)

Porter and Kramer (2003) state on two aspects of corporate social responsibility is pure philanthropy and profit. They noted that companies have the option open. Companies can concentrate fully on the philanthropic aspect of CSR or may focus

Porter and Kramer (2003) state on two aspects of corporate social responsibility is pure philanthropy and profit. They noted that companies have the option open. Companies can concentrate fully on the philanthropic aspect of CSR or may focus solely on the economic aspect of CSR. If fully concentrate on pure philanthropy devoted entirely to look for the good of society and the environment, even at the expense of their own interest. Rather, they believe that their well-being will go through the well-being of society because they are an important part of the social system. In addition companies can go totally pure economic benefits from your account without giving any consideration to social and environmental benefits. Porter and Kramer (2003) highlighted the concept of CSR or pure philanthropy to provide benefits to society and the environment, or only in pure economic benefits for their own interests, but provides a mixture balanced social and economic benefits must be the essence of CSR.

Divisions of CSR

Lantos (2001) proposed CSR to be in to four kinds which are:

Economic CSR is to have a fair return on investment (ROI) of capital by the stockholders. Fair return on investment can be achieved through the production and supply of products and services valued by customers, generating new job opportunities and higher earnings for companies.

Legal CSR is to have the legal aspects abided by the enterprises as imposed by the Governments and other regulatory bodies in society and environment to control their activities at national and international levels.

Ethical CSR is to care about society and environment. Ethics in CSR will help entrepreneurs to refrain from doing any activity that may harm people in society and the environment. Thus, the negative effects can be avoided.

Philanthropic CSR is to concentrate on the activities through which they will devote entirely to look in to the wellbeing of both the society and the environment. So the broader society is benefited. Philanthropic CSR is again of two types- Altruistic CSR and Strategic CSR. In Altruistic CSR all the contribution done for the wellbeing of society and environment is voluntary type without expecting any return what so ever from the welfare expenditures. In Strategic CSR contribution is done for the wellbeing of society and environment is to gain strategic advantage from that activity in the long run.

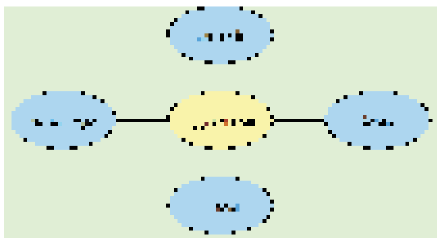

Figure .: Main kinds of CSR Source: Created by Author (2011), Adapted from Lantos (2001)

Among these four kinds of CSR, first three kinds of CSR named economic, ethical, and legal are asserted compulsory by Lantos (2001) and the fourth one that is Philanthropic CSR is optional. Altruistic CSR is concerned about the entire society, even to sacrifice companies own interests. Strategic CSR balances between the welfare of society and the company. Strategic CSR helps in building a positive image of the company and its brands, and, therefore, that the costs can be considered as investments to gain a

competitive advantage through differentiation of the brand image and brand.

Smith (2003) states that until and unless customers can make convinced that that the organisation's CSR efforts are genuine, transparent and honest strategic CSR won't be able to contribute in gaining competitive advantage. Rather the customers might have the feeling of being cheated if they feel like that the social and environmental welfare efforts of the enterprises are not actually for the wellbeing of people but for enhancing financial benefits for themselves (enterprises). So companies have to very cautious in launching the CSR strategy so that customers in no way have a feeling directly or indirectly that CSR activities are mainly for financial gain business. Strategic CSR activities are required to be aligned with the corporate mission and vision to make the strategies are distinct and different from other competitors in the industry.

From a different perspective Kramer and Kania (2006) divide CSR into two- “Offensive” CSR and “Defensive” CSR. The main concerns of defensive CSR are maintaining reputation, remaining inside the legal boundaries and resolving only own created problems at its minimum. Under the offensive kind of CSR enterprises come forward with contributions over the boundary of minimum requirements. The company expects more from successful companies and enterprises must therefore appear to meet the growing expectations. These expectations may arise due to the customers feel that companies do a lot of money, and therefore the company should have the right to a share of corporate profits. Too much promotional activities concerning CSR might provoke customers to disbelieve even the sincere and honest intention of enterprises warned by Morsinga et al (2008). In the views of Matten and Moon (2004) some enterprises expose their CSR activities very much though by policy CSR activities are mostly internal and thus it is not that CSR to be much exposed to the general mass.

To gain a competitive advantage through CSR charity differentiation plays an important role as the other three types of CSR called economic, ethical, legal and social responsibility are common to all businesses. Altruistic CSR is the real concern of society as a whole, even to sacrifice their self interests. Strategic CSR maintains a balance between business and the betterment of society. Strategic CSR contributes to create a positive image of the company and its brands, and hence investment, whose cost can be considered a competitive advantage through brand differentiation and brand (Lantos, 2001). Strategic CSR can not gain competitive advantage if customers do not believe that CSR efforts are genuine and honest help. To be effective CSR strategy must be different from those of its competitors, but the mission and vision must be aligned with those of firms (Smith, 2003).

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Overview of different kinds of CSR activities

Kotler and Lee (2005) proposed the followings as basic kind of activities of CSR which would enable us to understand the broader spectrum of CSR:

Cause promotions: on some occasions we see some companies come forward to help in raising funds for the people affected by any natural disasters by building peoples awareness. These kinds of company initiatives can bring a very positive impression of people about the companies.

Cause related marketing: in cause related marketing some companies may decide to donate a small part of their revenue generated from a particular project or product to a charity working on say poverty alleviation. Strategic CSR maintains a balance between business and the betterment of society. Strategic CSR contributes to create a positive image of the company and its brands, and hence investment, whose cost can be considered a competitive advantage through brand differentiation and brand

Corporate social marketing: sometimes we see some companies form an alliance with some public organisations to help a particular sector like cancer research through sponsoring a fund raising workshop for the mutual benefit of both is considered as corporate social marketing.

Corporate philanthropy: in this kind of corporate social responsibility enterprises will concentrate on the activities through which they will devote entirely to look in to the wellbeing of both the society and the environment. It can be done by direct contribution in the form of donation or others to the cause without having been involved themselves in to the actual process.

Community volunteering: under the community volunteering CSR enterprises or their employees will take part in the process directly. For instance employees will procure foods or clothing to distribute to the flood affected people directly. Any kind of financial donation will get a second priority.

Socially responsible business practices: it is an ethical aspect of business. This is a general ethics of any business that whey does not make any activity, producing all kinds of goods or services that may cause harm to society or the environment or will be entitled to write the ingredients of the label so that consumers are aware of the ingredients and be careful if there is any ingredient that may cause damage to their health.

Impacts of CSR activities on customers

Lots of studies so far have been conducted to find the impacts of CSR activities on customer satisfaction. In a review study by Maignan and Ferrell (2004) it was found that customer satisfaction is positively correlated to the satisfaction of customers. Pirsch et al. (2007) assert CSR as the most effective way to increase customer loyalty and develop a positive attitude and confidence in the company. Corporate social responsibility is the most effective way of enhancing customers' loyalty and building positive attitude and trusts towards the enterprises as argued by Pirsch et al (2007). This is the social responsibility that becomes a decisive factor in the purchase decision at the time of its decision-making factors are indistinguishable (Bhattacharya et al. 2008). In the study of Sen and Bhattacharya (2001) found that the customers consider significantly the corporate social responsibility while they evaluate the enterprises which means CSR activities directly influence the evaluation of enterprises by customers. On this basis, we can deduce that clients receive a more favourable when more socially responsible than other organisations. Apart from some exceptions, was determined by analysis of Fortune 400 companies that customer satisfaction is positively correlated with the degree of CSR initiatives of the respective companies (Luo and Bhattacharya, 2006).

Impacts of CSR activities in the business enterprise

In the study of McWilliams and Seigel,(2000) it was found that in both short-term and long term the impact of corporate social responsibility on financial performance was either positive or neutral, but no negative relationships were found. Orlitzky et al. (2003) through a comprehensive meta-analysis explored that the CSR activities and enterprises' financial performances are not only positively correlated but also influenced bi-directionally influenced by each other. Increase spending on CSR activities strengthens financial performance in terms of turnover is increasing and this increase in income allows the distribution of budgets for the CSR.

CSR from the point of view of stakeholders

Taking the statement of Robert Freeman, in his book "Theory of stakeholders and Organisation Ethics, " published in 2003 that the stakeholders and the influence of each organisation from others in various stages of their business operations in another ten Jansson (2007) proposed a grassroots organisation to identify correlations between CSR policies and activities and interests of stakeholders:

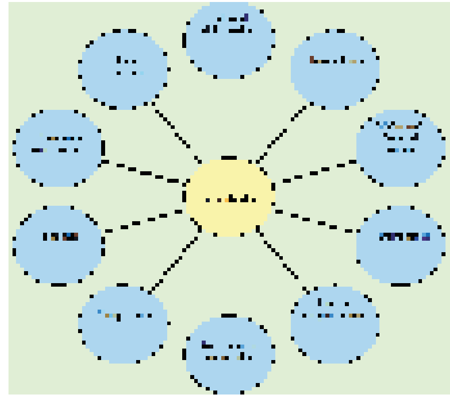

Figure .: Network of stakeholders Source: Created by the Author (2011), adapted from Jansson (2007)

Taking into account the norms and values of stakeholders in the organisation can adopt CSR policies and activities to create benefits for the rule of law in society, including economic. Social benefits are essential to achieving a sustainable competitive advantage thanks to its unique properties (Jansson, 2007). In this context, the legitimacy of the organisation can benefit when they are recognized and accepted by the parties concerned and can rest assured that if the organisation implements and responsibility for the welfare of various social and environmental point of view, non-profit profit. Social benefits are essential to achieving a sustainable competitive advantage thanks to its unique characteristics. The legitimacy of an organisation can be achieved when stakeholders have acknowledged and accepted, and this can be achieved when an organisation adopts and implements the responsibility for the welfare of various social and environmental factors are important opportunities for non-person profit. Taking into account the norms and values of stakeholders, organisations can adopt CSR policies and activities to create social benefits of the rule of law in society, including businesses (Jansson, 2007)

Impacts of different divisions of CSR

In the study of Halme and Laurila (2009) three action types of CSR for assessing its impact were proposed. These are a) Philanthropy b) CSR integration and c) CSR innovation. In the matrix below these three CSR action types are depicted with the dimensions of actions such as 1) relationship to core business 2) target of responsibility 3) expected benefit and 4) integration with the society.

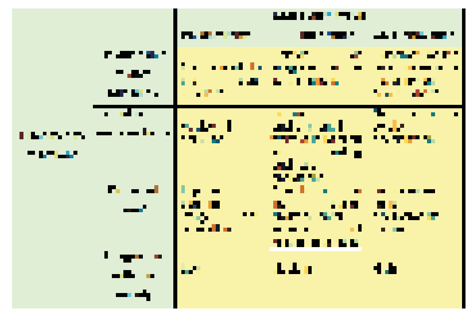

Table: Matrix of action-oriented CSR Adapted from: Halme and Laurila (2009)

In the study by Kurokawa and Macer (2008) showed that taking into account the benefits of maintaining an optimal level of long-term strategic CSR activities are planned and executed. On the other hand, the profit contribution focuses on the case of non-strategic CSR. Whereas strategic CSR activities contribute positively to society and business in the long term, as indicated by Ricks (2005) and Porter and Kramer (2006), Bhattacharya et al (2008)

Companies can meet their partners in a balanced way of CSR has been integrated into the activities of business strategies (Ven and Jeurissen, 2005). In the type of companies on strategic CSR, in general, to obtain a tactical advantage or benefit in the long term, to contribute to the welfare of society and the environment as claimed by Porter and Kramer (2003).

Overview of Consumers' Attitude and Decision Making

Attitude and ABC Model

An attitude is an individuals feeling, dispositions, manner, tendency, and orientation about person or anything. It may generally be positive or negative. Attitude is reflected in a person's behaviour. Attitude may be changed and formed. Consumers attitude toward brands are formed in many different ways. Different consumers have different perception about a particular brand. In order to understand why they prefer a particular brand it is important to understand how attitudes are created and what is the factors work in creating that attitude. This is the ABC model which basically tries to describe the process. Advertising is an important actor in forming consumers' attitude towards a product and in making consumers' buying decision (Schutte and Ciarlante, 1998). According to ABC model (Solomon, 2006), attitude is divided into three components: affect, behaviour and cognition. Interrelationship between feeling, doing and knowing are being emphasized in ABC model. Three components are there in this model which together forms an attitude:

1. Affect denotes the feeling that the consumers have towards the object or product or brand.
2. Behaviour involves the consumers' intention that he has to do something in regard to the attitude towards the product.
3. Cognition refers to the beliefs the consumers have about the object or product or brand.

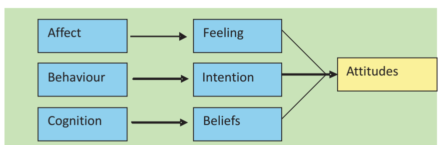

Figure .4: ABC model of attitudes, adapted from: Solomon, 2006

Overview of Decision Making Process

The basis in consumers' decision making process is their attitudes towards a brand or product. Attitudes toward a brand based on the decision-making. Stages of decision-making processes of consumers are also influenced by many other factors like time pressure, experience and references from their peers. Baker et al (2001) suggest the following steps in the decision-making –

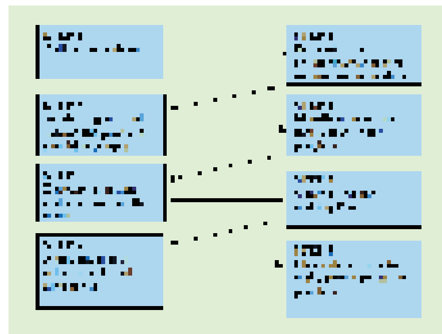

Figure .5: A standard Decision-making Process, Adapted from: Baker et al (2001)

Moreover, basing on the assumptions of Solomon (2006) and de Chernatony & McDonald (1999) the following decision making process for mainly highly involved consumers is developed:

Awareness of a need: A need is some kind of feeling of deprivation of something. When a consumer can significantly differentiate his/her present state of mind from a desired state then a need can be considered as has arisen. Then it is converted in to a purchase which is a kind of action a consumer does in response to a need.

Information search: After having been aware of the need the consumers start searching for information. In case of highly involved consumers it is a tendency that they will look information more actively. That is the reason enterprises put much emphasize to reinforce the brand unique differentiated position. For the same reason it is important that the attributes which are believed to be important to the consumers are reinforced.

Evaluating competing brands: After collecting the information consumers start evaluating the competing brands against the criteria which are considered to be most important. The evaluation is done by a comparison of the attributes of different brands under consideration and makes an assessment as to how each brand attributes measures up to the expected level of the desired characteristics. In this kind of brand evaluation process, enterprises having an impression of negative CSR to the consumers can have a harmful effect. Whereas positive CSR enterprises will have positive effect in the evaluation process.

Purchase decision: Once the evaluation process ends a category of acceptable brands is established, a selection has to be made. As it was mentioned in the last point that the consumers try to assess in different dimensions and criteria when they decide different competing options. It is sometime very difficult to make a right choice, but they have to.

Post purchase evaluation: This is most important stage in the process. Once purchase is they consumers will try to evaluate their level of satisfaction. If they are satisfied with the brand the positive attitude will be strengthened and they will start looking upon the brand favourably in future and will advise their peers to go for buying this brand. This the way consumers' loyalty to the brands are established. So CSR of enterprises will play very important role for the consumers who are highly involved in using CSR as distinguishing criteria can create a brand loyalty.

Methodology

The methodology has been developed on the light of "research onion" model proposed by Saunders et al (2009) what is given below:

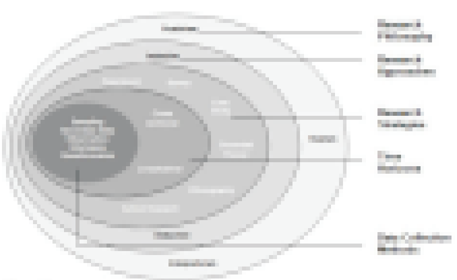

Figure .: "Research onion" model, Source: Saunders et al (2009)

After discussion of different research approach including inductive and deductive approach and quantitative and qualitative approach, research strategies have been discussed including sample survey, case study, and archival analysis. Going inward of the research onion model, data collection and analysis methods including questionnaire survey and interview for primary data and secondary data and different techniques of data analysis are discussed. At the end of these discussions, appropriate research methods for this particular study is chosen and justified.

Research approach

The purpose of this study is to investigate the impact of Corporate Social Responsibility on Sainsbury's consumers' attitude and purchase decision, and for *this,* deductive research approach has been found more appropriate as it tries to prove or discard the existing theories or understandings applying into particular setup where particular setup is the concern of Sainsbury's customers about its CSR practices and impact of it on their attitude and purchase decision.

For the successful accomplishment of the research aim, the required data are collect from the customers of Sainsbury's through questionnaire survey and thus edited data appear to be of numeric kind.

Therefore, quantitative one is found as prime research approach though at some extent qualitative research approach has been adopted as for the purpose of this study Sainsbury's corporate documents regarding CSR policies and practices of Sainsbury's has been analysed.

Research strategy

Various research strategies are suggested by Saunders et al (2009), some of which are experiment research, survey research, case study, and archival analysis. These research strategies may not be matched suitably with all kinds of research approaches as asserted by them. So research strategies should have to be selected basing on the nature or characteristics, scope and requirements of the objectives of research.

Empirical data review, analysis and findings

Industry overview – the UK grocery

The UK grocery market is as big as GBP 150.8 billion in the year 2010 which was 3.1 percent larger than that of year 2009 though the mentioned growth rate is less than that of 2008 due to the persistent economic recession. Out of GBP 1 retail spending 53p goes for food and grocery expenditure. Among hyper markets, super markets, and convenience stores, 21p of GBP 1 spent in food and grocery is spent in convenience stores in the UK (IGD Research, 2010). There are more than 91 thousand grocery stores in the UK and these grocery stores are classified into four categories – a) convenience stores, b) traditional retail, c) hypermarket, supermarkets, superstores, and d) online channels. Hypermarket, supermarkets, and superstores altogether are 7,970 in numbers and carry value of GBP 107.8 billion. Meanwhile convenience stores are 48,289 in numbers but carry value of GBP 32.1 billion. It is expected however that the annual sales of convenience stores in the UK will reach GBP 41.3 billion by 2015. It is further expected that by the same period more than 1 thousand additional convenience stores will be on operation in the UK (IGD Research, 2010).

Tesco, Asda, Sainsbury's, and Morrisons are the big four of the UK grocery market and these four altogether possess more than 75 percent market share according to the calculation of the end period of 2009 (tnsglobal news, 10 November 2009). As of October 2010, Tesco has more than 5 thousand stores worldwide of which 2545 stores are operating in the UK only where around 288 thousand employees are working (Tesco corporate website, 2011). Asda, the Wal-Mart subsidiary in the UK, is operating 376 stores employing more than 143 thousand people in the UK as of

August 2010 (Asda corporate website, 2011) Sainsbury's is operating 872 stores in the UK where 147 thousand employees are working as of 2010.

Case company overview

Sainsbury's is the third largest supermarket chain in the UK after Tesco and Asda with 16.5 percent market share what was founded in 1869 though it was positioned first in the industry in 1922. Top position of Sainsbury's was taken over by Tesco in 1995 and Asda in 2003. Employees of Sainsbury's was numbered around 147 thousand in 2010 while its sales revenue was around GBP 20 billion with net income of GBP 585 million. Its mission statement is "to be the consumer's first choice for food, delivering products of outstanding quality and great service at a competitive cost through working 'faster, simpler and together". Including hypermarkets, supermarkets, and convenience stores Sainsbury's operates 872 stores of which 335 are convenience stores. It went for diversification as well and significant one is its diversification to banking sector in the joint venture with Lloyds Banking Group.

The corporate goal of Sainsbury's is to "deliver an ever-improving quality shopping experience for our customers with great products at fair prices. We aim to exceed customer expectations for healthy, safe, fresh and tasty food, making their lives easier everyday". In the 5 areas Sainsbury's sets its business priorities what were revealed in March 2007. First priority it gave on fair priced great food and it is persistently doing so by providing quality foods in competitive price as claimed by the chairman of Sainsbury's David Tyler in annual report 2010. For growing with "complementary non-food" goods in accelerated way it got 3 times acceleration in the year 2010. It opened 51 new convenient stores in the same year along with online delivery operation according to its third priority to introduce supplementary channels for expanding customer base. For its priority to expand space in supermarkets it increased its store space by 6.8 percent for achieving the goal of 15 percent growth in the two years to March 2011. For its business priority to active involvement in property management it successfully increased its freehold property value to GBP 9.8 billion in 2010 which is GBP 2.3 billion more than that of 2009.

The above mentioned five areas are consistent focus of Sainsbury's for which it is clearly distinguished from its other competitors. According to Sainsbury's annual report 2010, over 19 million customers transaction took place in every week on an average what is 1 million more than that of 2009. Market share as well increased by 0.2 percent and reached to 16.1 percent. It is focusing on diversification to non-food goods and in 2010 non-food goods sales increased by 3 times than food sales. To tap the potentiality of online sales it opened non-food online in July 2009 with over 8 thousand goods and in 2010 its online sales increased by 20 percent.

Areas involved in the concept of corporate social responsibility are carefully covered by Sainsbury's by allowing much significance. It consciously tries to help customers in having healthy balanced diet, closely works with suppliers and farmers to ensure fair-trade, operates carefully to keep negative impact in the environment at its minimum, actively plays role for the welfare of the community, remains considerate and compassionate to make Sainsbury's a great place to work, and remains dedicated to keep shareholders satisfied with growing profit. All these evidently cover the welfare to people, planet, and profit what are the key areas of corporate social responsibility. (Data source: corporate website of Sainsbury's, 2011).

Despite being positioned fourth in the UK grocery market Sainsbury's crowned as the supermarket of the year in 2009 and placed world's largest retailer in fair trade value goods. In 2010 it sold fair-trade goods values GBP 218 million.

Overview of Sainsbury's CSR policies and activities

Areas involved in the concept of corporate social responsibility are carefully covered by Sainsbury's by allowing much significance. It consciously tries to help customers in having healthy balanced diet, closely works with suppliers and farmers to ensure fair-trade, operates carefully to keep negative impact in the environment at its minimum, actively plays role for the welfare of the community, remains considerate and compassionate to make Sainsbury's a great place to work, and remains dedicated to keep shareholders satisfied with growing profit. All these evidently cover the welfare to people, planet, and profit what are the key areas of corporate social responsibility. An evidence of its CSR success is that it is placed world's largest retailer in fair trade value goods in 2010 as it sold fair-trade goods valued GBP 218 million – the highest in the world. Moreover, to protect the greener world Sainsbury's is persistently working on green shopping. In accepting responsibilities to the society it donated over GBP 86 million to Active Kids. For being involved with the cause of saving endangered and waning marine species it accepts and leads in selling Marine Stewardship Council certified fish.

As asserted by the Chief Executive of the Company, Justin King, Sainsbury's is highly conscious about the level of impact it makes on environment and society considering the fact that each week it is visited by more than 19 million customers who are served by over 150 thousand employees through the supplies from over 2 thousand partners. Corporate social responsibility is simply about taking well care of people including customers and employees, society in broader range, and the environment where corporation continues its business activities. Sainsbury's is growingly doing this through providing wide range of quality goods in fairer price to the customers; also providing fairer price to suppliers hoping that tail-end farmers and trades, who are more than 17 thousand in number, would have fairer portion; contributing to the broader society through employment, skill building training; satisfying shareholders with good profit; using valuable resources like water, electricity most effectively to keep impact to the local environment minimum. Profit to the shareholders is recognised as one of three core part of CSR and Sainsbury's is successfully doing so where it delivered 12 percent earnings per share to the shareholders in 2010. Taking good care of internal customers that is employees is equally important to external customers what is taken by Sainsbury's with high significance and evidently it contributes a bonus of GBP 80 million to its 127 million employees in 2010.

Foremost consideration of Sainsbury's CSR is to take well care of customers and thus it consistently strives to provide healthier quality food in fair price. For this it is putting reduced amount of saturated fat, sugar, additives and salt in foods. More than that Sainsbury's is promoting healthier lifestyle among its customers to inspire them in healthier lifestyle. In the intention of ensuring fairer business share among its suppliers including tail-ended farmers and small traders it initiates a programme of "sourcing with integrity" for ethical trading throughout the entire supply chain. Being a British company Sainsbury's feel responsibility to promote and protect British goods at the first place and gives priority to the British suppliers before having supply from abroad which is as well bears evidence of commitment to the local society. It is placed world's largest retailer in fair trade value goods in 2010 as it sold fair-trade goods valued GBP 218 million – the highest in the world. Moreover, to protect the greener world Sainsbury's is persistently working on green shopping. In accepting responsibilities to the society it donated over GBP 86 million to Active Kids. For the preservation of greener environment Sainsbury's is actively working on reducing carbon emission from its every business activity and for this it sets targets like reducing carbon emission by 25 percent by 2012, reducing packaging by 33 percent by 2015, and keeping food waste and overall waste to 0 percent. In the year 2010 it reduces carbon emission by around 13 thousand tonnes than 2009 which is significant achievement for the achieving target of greener environment. Realising that traditional refrigeration is liable of one third of total carbon emission it is actively working to complete switch to environment friendly refrigeration by 2030. Sainsbury's is

using 70 electric vehicles, the largest in the world, which produce 100 percent less carbon than diesel run vehicles what is as well bears evidence of sincere effort for greener environment.

Distribution of respondents' economy class

Randomly selected customers of Sainsbury's Stratford branch for questionnaire survey have been found mostly middle class (60 percent) and upper middle class (10 percent) group where as 30 percent consider themselves of lower economy class and none found of

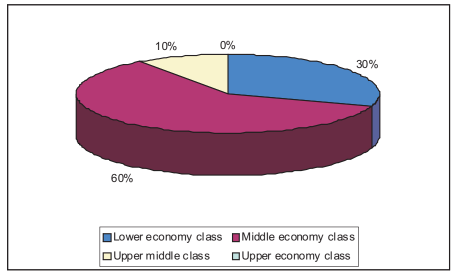

Figure .: Distribution of respondents' economy class, Source: own (2011)

Distribution of respondents' ethnic origin

Out of 95 valid survey questionnaires, 33 respondents are found Asian origin which is followed by European origin with 29. African and Latin American origin respondents are 19 and 10 respectively.

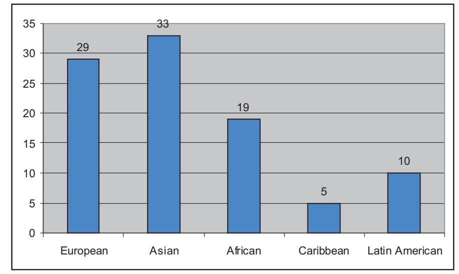

Figure .: Distribution of respondents' ethnic origin, Source: own (2011)

Analysis of the respondents' frequency of shopping

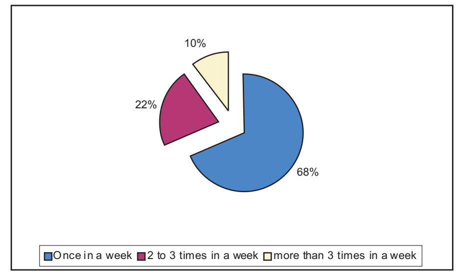

Figure .: Respondents' frequency of shopping, Source: own (2011)

Around 70 percent respondents claim that they shop in Sainsbury's at least once in a week and 22 percent claim that they shop 2 to 3 times in a week in Sainsbury's.

It has been revealed that once in a week shoppers in Sainsbury's Stratford branch shop for their household for which they spend a significant amount and the shoppers who shop 2 to 3 times in a week shop to meet their small requirements as they mostly work around the locality.

Analysis of the respondents' awareness regarding Sainsbury's various welfare activities for better society and fair share of business to the tail-ended farmers and small traders of developing countries

47 out of 95 respondents opined that they are unaware about Sainsbury's contribution for the welfare for the better society and fair share of business to the tail-ended farmers and small traders of developing countries. 18 respondents said that they are not interested about it. From strategic CSR point of view this figure shows the incapability of Sainsbury's in making its customers aware and interested about their social welfare activities and thus it can be argued that its CSR expenses are not making much impact on customers attitude and decision making process.

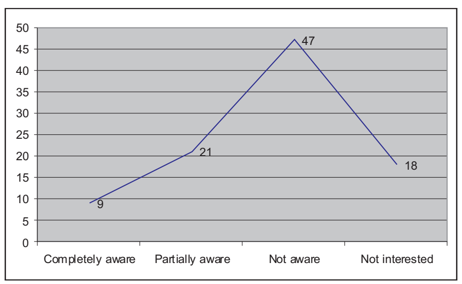

Figure .: Respondents' awareness level regarding Sainsbury's various welfare activities for better society, Source: own (2011)

Analysis of the respondents' awareness regarding Sainsbury's various activities for greener environment through energy efficiency and responsible selling

From strategic CSR perspective a bit better picture has been found in the question of respondents' awareness regarding Sainsbury's activities for greener environment through energy efficiency and responsible selling though not convincing at all.

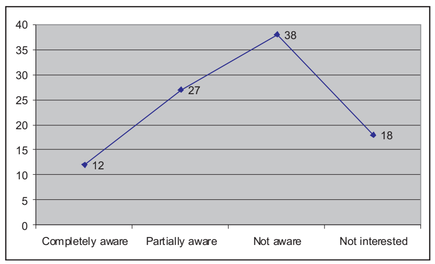

Figure .: Respondents' awareness level regarding Sainsbury's various welfare activities for greener environment, Source: own (2011)

Regarding Sainsbury's expenses for the cause of greener environment both completely aware and partially aware respondents are more in number in comparison to that of expenses for social welfare, but still not interested respondents are 18 in number. Though, not aware respondents are decreased to 38 in number. These 'not interested' and 'not aware' respondents are well more than 50 percent of the sample. This indicates that CSR activities of Sainsbury's is not well connected with the customers awareness and interest level and thus makes less impact in attitude and purchase decision.

Analysis of the respondents' opinion regarding Sainsbury's expense towards social welfare and greener environment

36 percent opine that Sainsbury's expense towards social welfare and greener environment is only to get financial return and only 18 percent opine that it is for pure philanthropy. However, 38 percent which is the highest opine that it is for both philanthropy and financial return in combination. than 50 percent of the sample. This indicates that CSR activities of Sainsbury's is not well connected with the customers awareness and interest level and thus makes less impact in attitude and purchase decision.

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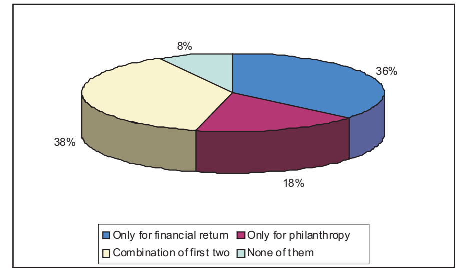

Figure .: Respondents' opinion regarding Sainsbury's expense towards social welfare and greener environment, Source: own (2011)

Point to consider here of the 36 percent who think that welfare expenses for financial return and such attitude certainly goes against building positive corporate image which as well makes relevant impact on customer attitude.

Analysis of the respondents' opinion regarding price increase due to Sainsbury's expenses for social welfare and greener environment

53 out of 95 valid respondents show partial agreement to accept increased price what happens for the expenses on social welfare and greener environment where as 12 respondents agree strongly. That means majority of the customers are willing to be a part of welfare activities towards society and environment through their retailers' initiatives.

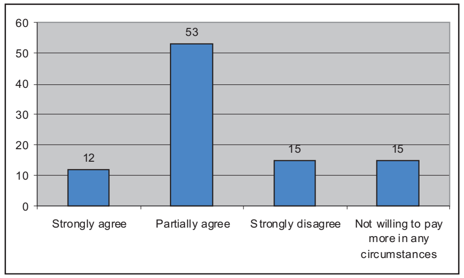

Figure .: Opinion regarding price increase due to Sainsbury's expenses for social welfare and greener environment, Source: own (2011)

'Strongly disagree' group as well as 'not willing at all' group are in total 30 who can be motivated to become less price sensitive for the cause of social and environmental welfare.

Findings

Aim of the study is to investigate the impact of Corporate Social Responsibility on Sainsbury's consumers' attitude and purchase decision. For this secondary data regarding the grocery market of the UK and the corporate social responsibility policies and practices of the case company – Sainsbury's have been collected and overviewed in part 4.2 to 4.4. in addition to it, to identify consumers' attitude and perception regarding Sainsbury's CSR policies and expenses primary data have been collected through questionnaire survey from a group of randomly sampled Sainsbury's customers and the collected primary data have been compiled and analysed in part 4.6. Findings from the analysis of collected primary data as well as secondary data have been depicted below:

The UK grocery market is as big as GBP 150.8 billion as of the year 2010. Out of GBP 1 retail spending 53p goes for food and grocery expenditure and this indicates the huge potentiality of the grocery industry. The case company Sainsbury's is positioned third though up to 1995 it was positioned first in the industry. Sainsbury's has the focus to gain its lost position, but for this aggressive campaign has not been observed as per its annual report 2010.

According to Sainsbury's annual report 2010, over 19 million customers transaction took place in every week on an average what is 1 million more than that of 2009. Increase of customers transaction by 1 million is the indication of customer satisfaction and taking good care of customers is one basic requirement of corporate social responsibility as customers are the 'people' to take well care. Market share as well increased by 0.2 percent and reached to 16.1 percent and accordingly it managed to deliver 12 percent earnings per share to the shareholders in 2010. Profit to the shareholders is recognised as one of three core parts of CSR and above figure indicates Sainsbury's is competently providing satisfactory profit to the shareholders. Another core of CSR is welfare to 'planet' that is preserving greener environment and from the overview of Sainsbury's ongoing CSR policies and practices it has been found that it is actively and dedicatedly striving to keep negative impact to environment through energy efficient operations, reduced carbon emission, responsible fishing etc.

In the CSR report of Sainsbury's it has been revealed that it is comprehensively involved with many CSR activities for the better society and fair share of business to the tail-ended farmers and small traders of developing countries but 47 out of 95 respondents opined that they are unaware about Sainsbury's contribution. 18 respondents said that they are not interested about it. From strategic CSR point of view this figure shows the incapability of Sainsbury's in making its customers aware and interested about their social welfare activities and thus it can be argued that its CSR expenses are not making much impact on customers attitude and decision making process.

From strategic CSR perspective a bit better picture has been found in the question of respondents' awareness regarding Sainsbury's various activities for greener environment through energy efficiency and responsible selling though not convincing at all. Regarding Sainsbury's expenses for the cause of greener environment both completely aware and partially aware respondents are more in number in comparison to that of expenses for social welfare, but still not interested respondents are 18 in number. Though, not aware respondents are decreased to 38 in number. These 'not interested' and 'not aware' respondents are well more than 50 percent of the sample. This indicates that CSR activities of Sainsbury's is not well connected with the customers awareness and interest level and thus makes less impact in attitude and purchase decision.

36 percent opine that Sainsbury's expense towards social welfare and greener environment is only to get financial return and only 18 percent opine that it is for pure philanthropy. However, 38 percent which is the highest opine that it is for both philanthropy and financial return in combination.

A significant 36 percent survey respondents found who think that welfare expenses of Sainsbury's are mainly for financial return and such attitude certainly goes against building positive corporate image which as well makes relevant impact on customer attitude. Therefore, Sainsbury's has to actively work on it to make customers understand that its CSR expenses are not merely for financial return but for the responsibilities towards the society and environment.

In some previous analysis it has been found that a significant number of respondent customers are 'unaware' about their retailer's effort for the welfare of the society and environment. However, in another analysis it has been found that around 60 percent of the respondent customers show partial agreement to accept increased price what happens for the expenses on social welfare and greener environment where as around 12 percent respondents agree strongly. That means majority of the customers are willing to be a part of welfare activities towards society and environment through their retailers' initiatives. For the optimum utilisation of it Sainsbury's has to take some effective efforts in making its customers aware about its impressive CSR activities. 'Strongly disagree' group as well as 'not willing at all' group are around 32 percent who can be considered to be motivated so that they can come to know about the importance of CSR expenses and also become less price sensitive for the cause of social and environmental welfare.

Conclusion and recommendations

Sainsbury's CSR policies and implications are found highly aligned with the triple bottom line concept of CSR named – People, planet and Profit what is proposed by Elkington (1998 & 2004).For investigating the impact of CSR activities of Sainsbury's on its consumers' attitude and purchase decision, primary data have been collected through questionnaire survey from a randomly sampled Sainsbury's Stratford branch customers and collected primary data are compiled and analysed. The outcome of primary data analysis has been summarised below:

In the CSR report of Sainsbury's it has been revealed that it is comprehensively involved with many CSR activities for the better society and fair share of business to the tail-ended farmers and small traders of developing countries but around 50 percent of respondents opined that they are unaware about Sainsbury's contribution. Moreover, a significant number of respondents said that they were not interested about it. From strategic CSR point of view this figure shows the incapability of Sainsbury's in making its customers aware and interested about their social welfare activities and thus it can be argued that its CSR expenses are not making much impact on customers attitude and decision making process. From strategic CSR perspective a bit better picture has been found in the question of respondents' awareness regarding Sainsbury's various activities for greener environment through energy efficiency and responsible selling though not convincing at all. Regarding Sainsbury's expenses for the cause of greener environment both completely aware and partially aware respondents are more in number in comparison to that of expenses for social welfare, but still not interested respondents are critically significant in number and these 'not interested' and 'not aware' respondents are well more than 50 percent of the sample. This indicates that CSR activities of Sainsbury's is not well connected with the customers awareness and interest level and thus makes less impact in attitude and purchase decision.

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From the investigation it can be assumed that Sainsbury's CSR policies and implications are not well connected or not well communicated to its customers. For this, it is highly unexpected that Sainsbury's can get good return from the customers in terms of its CSR expenses from the strategic CSR perspective.

Recommendations

Comprehensive discussion of CSR concepts, theories, and literatures, overview of CSR policies and implications of Sainsbury's and investigation of Sainsbury's customers perceptions and attitudes on the company's CSR policies and implicationes altogether induce some recommendations for more effective CSR policies and implications to connect and communicate customers so that company can get more strategic return from its CSR activities. It has been noted that the UK grocery market is as big as GBP 150.8 billion in the year 2010 and out of GBP 1 retail spending 53p goes for food and grocery expenditure. On the other hand, it has been noted that the case company Sainsbury's is positioned third though up to 1995 it was positioned first in the industry. Sainsbury's has the focus to gain its lost position, but for this aggressive campaign has not been observed as per its annual report 2010. To take a convincing share or regain its lost position of such potential market Sainsbury's needs to show some more aggressiveness as shown by the Tesco. To take full advantage of CSR expenses it needs to think more about strategic CSR where CSR expenses are done to get financial return as well besides showing commitment for the social and environmental welfare.

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WIMAX AND ITS IMPACT ON BUSINESS AND SOCIETY

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Abstract:

WiMAX has the potential to replace a number of existing telecommunications infrastructures. In a fixed wireless configuration it can replace the telephone company's copper wire networks, the cable TV's coaxial cable infrastructure while offering Internet Service Provider (ISP) services. In its mobile variant, WiMAX has the potential to replace cellular networks. WiMAX supports Voice over Internet protocol (VoIP) as telephone company substitute, Internet Protocol Television (IPTV) as cable TV substitute, backhaul for Wi-Fi hotspots and cell phone towers, mobile telephone service, mobile data TV, mobile emergency response services, wireless backhaul as substitute for fiber optic cable. From this point of view WiMAX is going to make a huge impact on society and business.

Index:

***Terms*-Wimax, Telecommunication, Impact, Business, Society**

I. Introduction

In last one decade communication engineering has changed the whole scenario of the world. Specially the socio-economic difference between first world and third world has been reduced sharply with the help of communication engineering and in future WiMAX will be the main weapon to make a new IT revolution in the world. Although this technology is not properly introduced in third world but industrial sector of Wimax is expanding very fast. In this paper I have tried to discuss about this technologies and critically analyzed its impact on society and economy based on various research papers of IEEE as well as some other journals. The methodology of this paper is completely based on study because to acquire knowledge and to identify the impact of this two technologies I have to study few books and at the same time to get the present research status of those area I have made many literature review like IEEE or some other recognized journals which are the famous for their quality. From this point of view this paper is also prepared based on concept of research papers.

Ii. Overview Of The Technology Based On Wimax Standard

WiMAX is standard for a wireless communication technology that provides Worldwide Interoperability using Microwave Access. The main aims of this Wimax based technology is to support wireless broadband communication services based on the Metropolitan Area Network (MAN).The main goal of WiMAX is to bring a standards or brand based technology to a sector that otherwise depended on proprietary solutions. The technology that is supported by WiMAX has a great range of frequency covering up to 31 miles and provides data rate more than 100 Mbps. Scientists believes that this WiMAX based technology will challenge DSL and cable modem based technology as it supports wireless video and audio streaming (both expensive technologies to deploy and maintain) especially in emerging markets. The range of non line of site is 4 miles.802.16 standard supports 72 mbps data rate over 30 miles for pint to point communication. From this point of view WiMAX standard can be used as back haul bypass. The main feature of this technology is a good last mile solution for the locations where there can be no TV cable or telephone line.

Iii. Evolution

NIST first developed the WiMAX technology back in 1998 after that IEEE 802.16 takes the responsibility for commercialization. In June 2004 it is accepted for 802.16 standards. After that addresses mobility for WiMAX also won approval as IEEE 802.16e-2005.During this development process WiMAX forum was formed and the member of this forum were world largest IT based companies like Intel, Motorola, Samsung and CISCO etc. This forum played a great role for marketing as well as providing certificate to product based on WiMAX standard so that any user using this product can get the interoperability between WiMAX equipment worldwide. WiMAX and the High Performance Radio Metropolitan Area Network (HiperMAN) use the same physical layer and medium access control (MAC) as a result there is an interoperability between them too.

Iv. Advantage Of Wimax Standard Technology

According to Ekram Hossain "IEEE 802.16/WiMAX-based broadband and mobile wireless access is expected to be a significant component in the next generation (e.g.,beyond 3G, 4G) wireless systems"[1].The reason behind this is that this standard incorporates various superior radio transmission technologies like orthogonal frequency division multiplexing (OFDM), adaptive modulation and coding, and adaptive forward error correction (FEC), which is organized to support

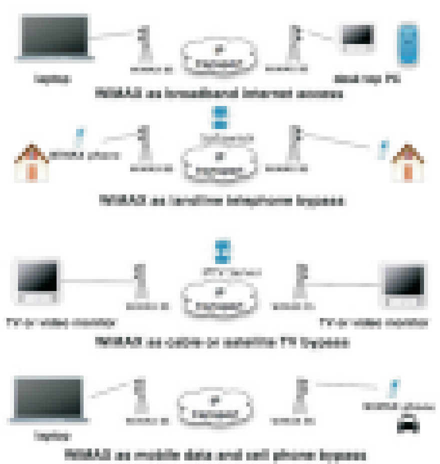

Fig:1 WiMAX has the potential to impact all forms of telecommunications[2]

broadband wireless with maximum quality of service. The important fact is that it maintains quality of service both in indoor and outdoor. If we see the figure 1 then we will be able to understand the application of WiMAX. From this figure it is clear that one WiMAX standard base station can cover the terminals of business district, residential area and even moving vehicles on the streets. Moreover it can be used as an internet back bone for 802.11.WiMAX is very much useful for disaster recovery in case of wired networks break down. During hurricane disasters, WiMAX networks were hugely used for helping recovery missions. As a backup links it can play an extraordinary role for wired links.

V. The Impact Of Wimax On Business

All *Mobile* devices that are connected to base station of WiMAX will get the range of 5 to 6 miles which is completely impossible by present various technologies more over at present the mobile communication technology available to us cannot ensure quality of service due to mobility. For an example if we consider broad band mobile internet connection of various companies like BT,AOL,SKY and Virgin we will see that in bottom of this companies advertisements there is a condition of network availability for getting appropriate data rates and this is the area where WiMAX is different. Present fibre and cooper wired based technology has some lack of infrastructure problem specially for communicating rural areas of 3rd world. At present many companies provide proprietary solutions for using wireless broadband but according to Zakhia Abichar, Yanlin Peng,and J. Morris Chang "WiMAX's standardized approach offers economies of scale to vendors of wireless broadband products, significantly reducing costs and making the technology more accessible"[2]. As a result to survive the business most of the companies who are giant in world of communication have joined in the WiMAX Forum and planning to offer WiMAX based solutions. That's why the market side if communication is going to be captured by this technology. True video on demand service very much important for marketing wireless devices and in a research paper two scientists Fei Xie, Kien A. Hua and Ning Jiang prove that simulation study of their proposed approach ensure true Video-on-Demand in WiMAX mesh networks under high video request arrival rate [3].

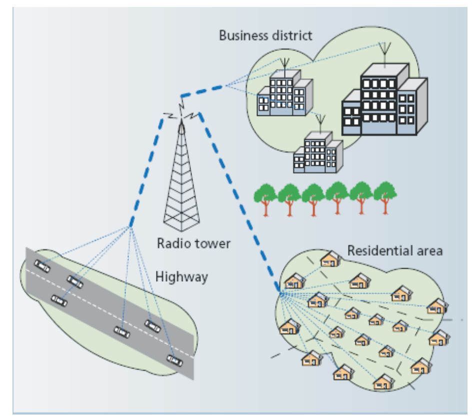

Figure 2: wimax Application [7]

In Europe, Asia and in America many Pilot project based on WiMAX has already been implemented. More than 150 commercial trials of WiMAX network have been launched.GlobeTel Wireless and Moscow-based Internet has been signed an agreement to implement 30 Russian cities with WiMAX-based wireless broadband. In January 2006 another giant Mobile phone company Samsung has launched its M8000 handset which can communicate with WiMAX base stations through 802.16e. This phone M8000 use Windows Mobile operating system and supports true video streaming for entertainment using a broadband connection.Intel has already launched the trial of WiMax in several cities.According to a report by research firms Maravedis and Tonse Telecom India will have 13 million WiMAX subscribers by 2012[4]. Sprint Nextel a giant company of communication has made an agreement Clear wire and expects to generate its revenue between US$2 billion and US$2.5 billion for the fiscal year 2010 [5].

Vi. Business Analysis Of Wimax

According to a report of RNCOS "WiMAX - A Market Update (2006-2007)",In future the biggest market of WiMAX will be the mobile communications and the estimated total number of WiMAX users will be 14.9 million in 2009, which will increase revenues over $13.8 billion from WiMAX market[6]. From this point of view WiMAX is going to be the number one of the broadband wireless access market by 2009 because of the wide support it has achieved from leading equipment vendors [6].Countries from Asia-pacific has the largest subscribers of WiMAX subscribers, Eastern Europe and Latin America has less broad band facility as a result WiMAX technology is spreading slowly over there. But in Western Europe, WiMAX adoption has been slow due to the high levels of broadband penetration. On the contrary North America is the leading region as there are 394 WiMAX license holders over there.

Vii. Wimax And Its Impact On Society

Fast and perfect communication is the first priority for development of society and society is a combination of human beings. So if people can communicate each other perfect and cheapest way then it will explore his development opportunities. Especially WiMAX will change the scenario of the societies of the third world as well as developed countries. Still maximum people of the Asia, Africa or even East Europe live under poverty level. So if we want to develop the societies of these areas we have to remove their poverty and without development of socio economic condition of this poor people we may not change the social condition of these people. That's why we need a strong weapon that can uproot poverty and illiteracy. From my point of view WiMAX can be that weapon by which we can change the socio-economic condition of this countries. The digital divide between western world and developed world can be reduced by with the help of WiMAX standard technology easily. WiMAX may play a great role in the following arena:

WiMAX for Rural Development:

Most of the areas of the Asia, Africa or East Europe are rural and this is the main reason of those areas for poverty. Roads and highways may take a long period to be established on those areas but using WiMAX we can easily send wireless internet access to those areas .The broad band of WiMAX may easily provide video and audio communication on those areas with all types of facilities.

WiMAX for E-learning or distance education:

This is a very important area for WiMAX because many rural areas have been connected by various wireless technologies but still the problem is high data rate for video and audio streaming. This is very important because many universities provide online lecture or video conferencing for the students of rural areas but there are many problems for existing technologies for providing quality of service only Wimax can ensure the quality of service to all rural parts of the worlds as a result E-Learning or virtual campus can be established properly in rural areas that will definitely change the educational condition of rural societies.

WiMAX for development of tribal societies:

Most of the tribal areas are based on difficult hill tracks or in the forest or in a far distance island and the limitations of other existing wireless communication technologies are clear in those areas. From this point of views WiMAX can change the whole scenarios of these areas. Only WiMAX can ensure high speed internet access with video on demand to this areas and change the social condition this areas.

WiMAX for E-Commerce:

Still Ecommerce has not yet get popularity in the 3rd world countries of the world due to low bandwidth and security problem. But the situation will be changed shortly due to WiMAX technology. Many people of 3rd world countries are now using mobile to make business. For example Grameen phone of Bangladesh has played an outstanding role for economical development of rural communities and when it will use WiMAX then the growth of ecommerce will increase rapidly.

WiMAX for E-governance :

Socio-economic condition of a country depends on democracy. Unfortunately corrupted democracy is making unrest in many countries of the world. At present many countries of the world are under state of emergency due to corrupted politics.E-governance can be the main weapon to reduce corruptions in 3rd world countries and can ensure good governance. But to establish E-governance we need cheapest wireless communication based infra structure all over the countries and only WiMAX can ensure that.

Viii. Conclusion

Scientists are developing new technologies day by day. Among all of them robotics is an amazing emerging technology there is no doubt about it. With the help of artificial intelligence and neural networks robot may play a great role in future in various sector of our life. On the other hand the based on WiMAX standard technology socio-economic condition of the whole world can be changed dramatically in a very short period of time. Especially digital divide between western world and developed world will be reduced within a very short period of time with the help of this technology. There is no doubt that among all technologies WiMAX may change our daily life rapidly. Although I've presented several technologies and intelligent system applications that could significantly impact the well being of our society helping, in particular, those who are poor, sick, or illiterate much work remains before these tools are routinely available and widely deployed. The productization of these technologies requires additional research and development with the aim of increasing reliability, reducing cost, and improving ease of use. This is the grand challenge for the next generation of researchers and entrepreneurs

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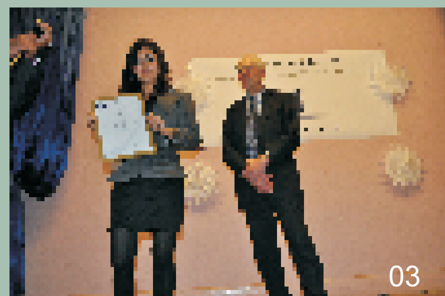

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