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A STUDY ON MARKOWITZ MODEL FOR PORTFOLIO SELECTION

Dr. S. Anitha Devi MBA, Ph.D, Head and Associate Professor, Department of Management Studies, TJPS College, Guntur, Andhra Pradesh.

T.Mallikarjuna Rao MBA, M.Phil.,(Ph.D), Department of Commerce and Business Administration, Acharya Nagarjuna University, Guntur, Andhra Pradesh.

BUSINESS RESEARCH

ABSTRACT

Keywords:

Risk, Return, Markowitz model, Portfolio Selection

Since its first appearance, The Markowitz model for portfolio selection has been a basic theoretical reference, opening several new development options. However, practically it has not been used among portfolio managers and investment analysts in spite of its success in the theoretical field. With our paper we would like to show how The Markowitz model may be of great help in real stock markets. Through an empirical study we want to verify the capability of Markowitz's model to present portfolios with higher profitability and lower risk. In this study the researcher focus on portfolio analysis with Markowitz model especially in two security case.

1. INTRODUCTION

Portfolio is a range of investments held by a person or organization. *'Portfolio'* is a grouping of financial assets such as stocks, bonds and cash equivalents, as well as their mutual, exchange-traded and closed-fund counterparts. *Portfolios* are held directly by investors and/or managed by financial professionals. **Portfolio Management** is the art and science of making decisions about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. Portfolios are combinations of assets held by the investors.

The traditional Portfolio Theory aims at the selection of such securities that would fit in well with the asset preferences, need and choice of investor. Modern Portfolio Theory postulates that maximization of return and or minimization of risk. The return on portfolio is weighted average of returns of individual stocks and the weights are proportional to each stock's percentages in the total portfolio.

2. HARRY MARKOWITZ MODEL

Harry Markowitz put forward this model in 1952. It assists in the selection of the most efficient by analysing various possible portfolios of the given securities. By choosing securities that do not 'move' exactly together, the HM model shows investors how to reduce their risk. The HM model is also called Mean-Variance Model due to the fact that it is based on expected returns (mean) and the standard deviation (variance) of the various portfolios.

To choose the best portfolio from a number of possible portfolios, each with different return and risk, two separate decisions are to be made:

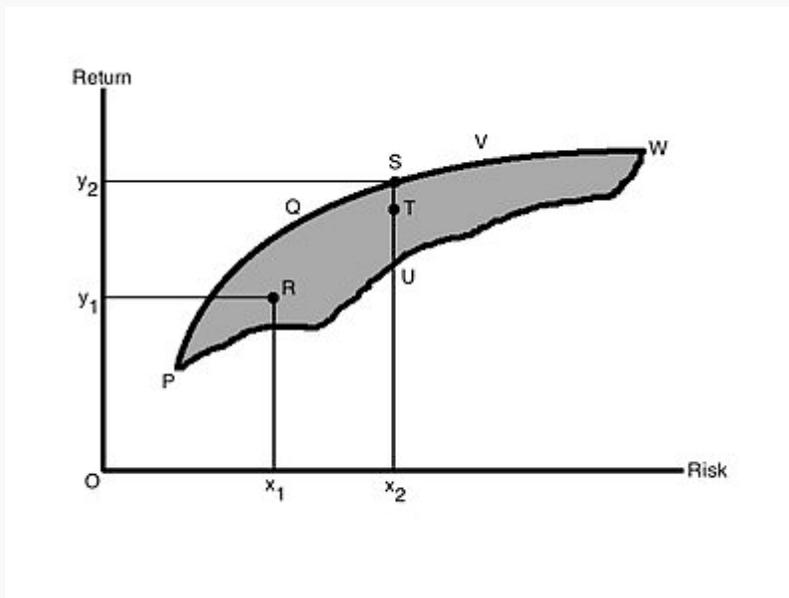
1. Determination of a set of efficient portfolios.
2. Selection of the best portfolio out of the efficient set.

Determining the Efficient Set

A portfolio that gives maximum return for a given risk, or minimum risk for given return is an efficient portfolio. Thus, portfolios are selected as follows:

- (a) From the portfolios that have the same return, the investor will prefer the portfolio with lower risk, and
- (b) From the portfolios that have the same risk level, an investor will prefer the portfolio with higher rate of return.

Figure 1: Risk-Return of Possible Portfolios



As the investor is rational, they would like to have higher return. And as he is risk averse, he wants to have lower risk.¹ In Figure 1, the shaded area PVWP includes all the possible securities an investor can invest in. The efficient portfolios are the ones that lie on the boundary of PQVW. For example, at risk level x_2 , there are three portfolios S, T, U. But portfolio S is called the efficient portfolio as it has the highest return, y_2 , compared to T and U. All the portfolios that lie on the boundary of PQVW are efficient portfolios for a given risk level.

The boundary PQVW is called the **Efficient Frontier**. All portfolios that lie below the Efficient Frontier are not good enough because the return would be lower for the given risk. Portfolios that lie to the right of the Efficient Frontier would not be good enough, as there is higher risk for a given rate of return. All portfolios lying on the boundary of PQVW are called Efficient Portfolios. The Efficient Frontier is the same for all investors, as all investors want maximum return with the lowest possible risk and they are risk averse.

Choosing the best Portfolio

For selection of the optimal portfolio or the best portfolio, the risk-return preferences are analyzed. An investor who is highly risk averse will hold a portfolio on the lower left hand of the frontier, and an investor who isn't too risk averse will choose a portfolio on the upper portion of the frontier.

Figure 2: Risk-Return Indifference Curves

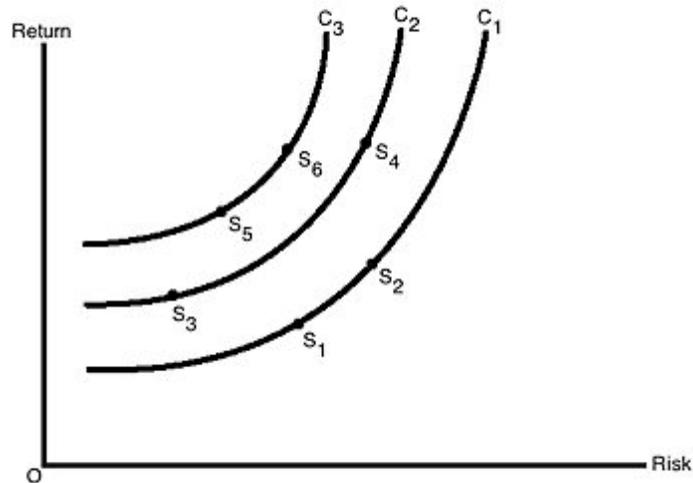
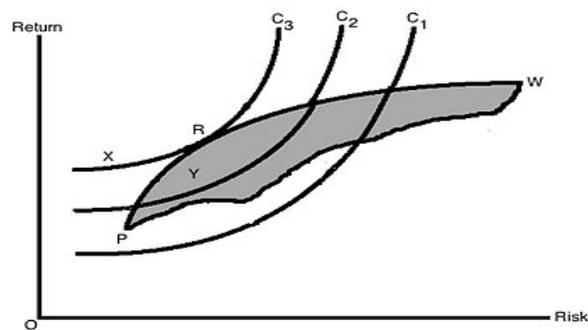


Figure 2 shows the risk-return indifference curve for the investors. Indifference curves C_1 , C_2 and C_3 are shown. Each of the different points on a particular indifference curve shows a different combination of risk and return, which provide the same satisfaction to the investors. Each curve to the left represents higher utility or satisfaction. The goal of the investor would be to maximize his satisfaction by moving to a curve that is higher. An investor might have satisfaction represented by C_2 , but if his satisfaction/utility increases, he/she then moves to curve C_3 . Thus, at any point of time, an investor will be indifferent between combinations S_1 and S_2 , or S_5 and S_6 .

Figure 3: The Efficient Portfolio



The investor's optimal portfolio is found at the point of tangency of the efficient frontier with

the indifference curve. This point marks the highest level of satisfaction the investor can obtain. This is shown in Figure 3. R is the point where the efficient frontier is tangent to indifference curve C_3 , and is also an efficient portfolio. With this portfolio, the investor will get highest satisfaction as well as best risk-return combination (a portfolio that provides the highest possible return for a given amount of risk). Any other portfolio, say X, isn't the optimal portfolio even though it lies on the same indifference curve as it is outside the feasible portfolio available in the market. Portfolio Y is also not optimal as it does not lie on the best feasible indifference curve, even though it is a feasible market portfolio. Another investor having other sets of indifference curves might have some different portfolio as his best/optimal portfolio.

Minimum-Variance Portfolio

A portfolio of individually risky assets that, when taken together, result in the lowest possible risk level for the rate of expected return. Such a portfolio hedges each investment with an offsetting investment, the individual investor's choice on how much to offset investments depends on the level of risk and expected return he/she is willing to accept. The investments in a minimum variance portfolio are individually riskier than the portfolio as a whole. The name of the term comes from how it is mathematically expressed in Markowitz portfolio theory in which volatility is used as a replacement for risk, and in which less variance in volatility correlates to less risk in and investment.

Calculation of portfolio weights:

$$W_a = \frac{\sigma_b [\sigma_b - (\rho_{ab} \sigma_a)]}{\sigma_a^2 + \sigma_b^2 - 2\rho_{ab} \sigma_a \sigma_b}$$

$$W_b = 1 - W_a$$

W_a = proportion of funds in A security.

W_b = proportion of funds in B security.

Demerits of the HM Model

1. Unless positivity constraints are assigned, the Markowitz solution can easily find highly leveraged portfolios (large long positions in a subset of investable assets financed by large short positions in another subset of assets), but given their leveraged nature the returns from such a portfolio are extremely sensitive to small changes in the returns of the constituent assets and can therefore be extremely 'dangerous'. Positivity constraints are easy to enforce and fix this problem, but if the user wants to 'believe' in the robustness of the Markowitz approach, it would be nice if better-behaved

solutions (at the very least, positive weights) were obtained in an unconstrained manner when the set of investment assets is close to the available investment opportunities (the market portfolio) – but this is often not the case.

2. Practically more vexing, small changes in inputs can give rise to large changes in the portfolio. Mean-variance optimization has been dubbed an 'error maximization' device (Scherer 2002): 'an algorithm that takes point estimates (of returns and covariances) as inputs and treats them as if they were known with certainty will react to tiny return differences that are well within measurement error'. In the real world, this degree of instability will lead, to begin with, to large transaction costs, but it is also likely to shake the confidence of the portfolio manager in the model.

3. The amount of information (the covariance matrix, specifically, or a complete joint probability distribution among assets in the market portfolio) needed to compute a mean-variance optimal portfolio is often intractable and certainly has no room for subjective measurements ('views' about the returns of portfolios of subsets of investable assets).

3. NEED FOR THE STUDY

Portfolio management is process encompassing many activities of investment in assets and securities. It is a dynamic and flexible concept and involves regular and systematic analysis judgment and action.

- The study helps to guide the investor to select the best portfolio.
- To help in optimizing the returns with lower risks.
- The study helps to the investors to take effective investment decision.
- To understand the price fluctuations in selected scripts.

4. OBJECTIVES OF THE STUDY

The objectives of the study have the following aspects.

- ❖ To present theoretical frame work on Markowitz model.
- ❖ To find out the risk and return of the selected scripts.
- ❖ To calculate the co-variance and correlation between the securities.
- ❖ To construct and analyze minimum variance portfolios under Markowitz model.
- ❖ To offer findings, suggestions and conclusion of the study.

5. METHODOLOGY

Data Collection Method: This study is mainly based on secondary data. Five stocks were selected for the study, which are included in BSE SENSEX. Five stocks are leading companies in different sectors such as banking, IT, cement, automobile and petroleum. For the purpose of study yearly closing prices

of the stocks were selected past five years as 2010, 2011, 2012, 2013, 2014 to measure mean return of the five securities.

Data Analysis: In the present study, data is analyzed using various statistical tools like standard deviation, correlation coefficient, covariance, and by using graphs and charts.

6. SCOPE OF THE STUDY

- The study deals with portfolio construction and selection.
- The scope of the study is limited to the Indian context only.
- The present study confined to Markowitz portfolio theory.
- The scope of the study is confirmed 5 companies:
 - MARUTI**
 - ACC**
 - ICICI**
 - RELIANCE**
 - TCS**

7. DATA ANALYSIS

COMPARATIVE RETURNS OF SELECTED SCRIPTS:

TABLE - 1

Stock	Rate of Return (%)
Maruthi	25.24
ACC	20.51
ICICI	23.43
Reliance	1.16
TCS	31.84

Interpretation: From the above table we found that the average return of TCS is higher compared to the remaining four companies. Reliance has the lowest average return than all other securities.

DIAGRAMATIC PRESENTATION OF COMPANIES RISK:

TABLE - 2

Stock	Risk (%)
Maruti	44.67
ACC	8.26
ICICI	41.41
Reliance	19.29
TCS	28.35

Interpretation: From the above table we can observe that the risk of ICICI and Maruti is relatively high. Remaining companies have low risk compared to the ICICI and Maruti companies. ACC has lowest risk among all other securities.

CALCULATION OF COVARIANCE AND CORRELATION BETWEEN EACH POSSIBLE PAIR OF SECURITIES:

Table- 3

PAIR OF SECURITIES	COVARIANCE	CORRELATION
MARUTHI VS ACC	246.87	0.669
MARUTHI VS ICICI	1128.68	0.610
MARUTHI VS RELIANCE	706.85	0.820
MARUTHI VS TCS	-190.07	-0.150
ACC VS ICICI	199.7	0.58
ACC VS RELIANCE	106.65	0.669
ACC VS TCS	84.49	0.360
ICICI VS RELIANCE	88.55	0.11
ICICI VS TCS	-1.43	-0.0012
RELIANCE VS TCS	124.39	0.227

INTERPRETATION: from the above table we can observe that some of the pairs have negative covariance and negative correlations and some pairs have positive covariance and correlations. From them MARUTHI VS TCS, ICICI VS TCS pairs have negative correlations, remaining pairs have positive correlations. From the above analysis we can go for construction of minimum variance

portfolios for all the pairs because all combinations have less than one correlation values.

CONSTRUCTION OF MINIMUM VARIANCE PORTFOLIOS:

TABLE - 4

Portfolio no.	Pair of securities	Weight of security A	Weight of security B
1	MARUTHI VS ACC	-0.11	1.11
2	MARUTHI VS ICICI	0.60	0.40
3	MARUTHI VS RELIANCE	-0.35	1.35
4	MARUTHI VS TCS	0.31	0.69
5	ACC VS ICICI	1.09	-0.09
6	ACC VS RELIANCE	1.16	-0.16
7	ACC VS TCS	1.02	-0.02
8	ICICI VS RELIANCE	0.14	0.86
9	ICICI VS TCS	-0.000015	1.000015
10	RELIANCE VS TCS	0.73	0.27

INTERPRETATION: From the above table, can conclude that four portfolios resulted positive weights, six portfolios resulted negative weights. Portfolios consisting negative weights are eliminated from the portfolio analysis. They are MARUTHI vs ACC, MARUTHI vs RELIANCE, ACC vs ICICI, ACC vs RELIANCE, ACC vs TCS, ICICI VS TCS.

PORTFOLIO RETURNS & RISKS OF THE SELECTED STOCKS:

Table:5

portfolio	Stock A	Stock B	Portfolio Return	Portfolio Risk
2	Maruti	ICICI	30.15	38.09
4	Maruti	TCS	29.47	21.98
8	ICICI	Reliance	4.28	18.16
10	Reliance	TCS	9.11	17.31

INTERPRETATION: From the above table the portfolio return of MARUTHI and ICICI is 30.15% which is

the maximum among all the other combinations. The portfolio risk of MARUTHI and ICICI is 38.09% which is higher than the other portfolios.

8. FINDINGS

- Individual returns on the selected stocks including Maruti, ACC, ICICI, Reliance & TCS are 25.24%, 20.51%, 23.41%, 1.16% and 31.84% respectively.
- Individual risks on the selected stocks including Maruti, ACC, ICICI, Reliance & TCS are 44.67%, 8.26%, 41.41%, 19.29% and 28.35% respectively.
- Correlation between the some companies is positive.
- Correlation between the some companies is negative.
- Portfolio Returns of Maruti & ICICI (30.15%), Maruti & TCS (29.47%) followed by Reliance & TCS (9.11%) and ICICI & Reliance (4.28%).
- Portfolios Risk of Maruti & ICICI (38.09%) followed by Maruti & TCS (21.98%) are very high while Portfolio Risks of Reliance & TCS (17.31%) , ICICI & Reliance (18.16%) stood at the bottom.

9. SUGGESTIONS

- All the stocks under consideration have given positive return which indicates the positive performance of the stock market, specially the SENSEX stocks. TCS has been the outstanding performer with a return of nearly 31.84%. This indicates that Investors can be assured of good returns in the long run by investing in blue chip companies. Rest of the stocks has given average returns ranging from 1% to 26%.
- Comparing the individual risks, ICICI and Maruti are risky securities compared to the other securities like Reliance, ACC and TCS and it suggested that the investors should be careful while investing in these securities.
- The investors who require minimum return with low risk can invest in Reliance and ACC.
- It is recommended that the investors who expect high risk with high return should invest in TCS.

- All the investors who invest in the securities are ultimately benefited by investing in selected scripts of Industries.
- Investors are advised to invest in Portfolios of Maruti& ICICI (30.15%) followed by Maruthi& TCS (29.47%).Which have given the maximum returns.
- Low Risk investors are advised to keep away from Maruti& ICICI (risk of 38.09%) and prefer the Portfolios of ICICI & Reliance (18.16%), Reliance & TCS (17.31%) which have the least risk.

10. CONCLUSIONS

Portfolio management is a process of encompassing many activities of investment assets and securities. It is a dynamic and flexible concept and involves regular and systematic analysis, judgment, and action. A combination of securities held together will give a beneficial result if they grouped in a manner to secure higher returns after taking into consideration the risk elements.

The main objective of the Portfolio management is to help the investors to make wise choice between alternate investments without a post trading shares. Any portfolio management must specify the objectives like Maximum returns, Optimum Returns, Capital appreciation, Safety etc., in the same prospectus. This service renders optimum returns to the investors by proper selection and continuous shifting of portfolio from one scheme to another scheme of from one plan to another plan within the same scheme. **“Greater Portfolio Return with less Risk is always is an attractive combination”** for the Investors.

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A STUDY ON WOMEN'S BUYING BEHAVIOUR OF FASHION APPARELS FROM RETAIL STORES

*Shabana K A, Research Scholar, Bharatiar University, Coimbatore
Dr S Radha, Asst Professor, MBA Dept, Valliammai Engineering College Kattankulathur. Chennai*

ABSTRACT

This research represents a contribution to a deeper understanding about the consumer buying behaviour in fashion stores as a response to the visual merchandising tools in the outlets. The main objective of this paper is to study the influence of visual merchandising, especially the one related to the shop-windows, on consumer buying behaviour of women, and to store attributes most valued by consumers. To attain this objective, a questionnaire was sent out to consumers by e-mail. The data was then submitted to multivariate statistical analysis. The main results of this research demonstrate differences not only in the store attributes valued by consumers but also gender differences in consumer buying behaviour according to the merchandising techniques used in store window displays.

Keywords:

Fashion Stores, Visual Merchandising, Shop window, Consumer Buying Behaviour

1. INTRODUCTION

The relationship between dressing and the idea of individual expression is complex. It may be perceived in people's daily life through recurrent use of the same clothing colours, brands, and fashion trends. Many people use contrasts and colours that express feelings according to their state of mind. Thus, product properties, such as design, comfort, individuality, play a decisive role in apparel buying behaviour, which may vary depending on a set of factors, particularly gender [Fischer, E. & Arnold, S].

Consumer behaviour has attracted different definitions and points of view over the years and always based on interdisciplinary academic fields. In general terms, studies on consumer buying behaviour analyse the individual or a group of individuals in relation to past experiences, the use of products, services or ideas to satisfy needs and desires. In this sense, the act of consumption may take many forms [Solomon, M, Rabolt, N].

Demirdjian concludes that the process used by consumers for selecting or using certain products and services derives from the necessity to satisfaction their desires. According to Newman et al. the buying process is influenced by a set of behaviours which involve some related processes, such as: purchasing, information gathering, selection of products and evaluation of alternatives.

Harcar et al. point out the existence of a variety of consumer behaviours in a context of fashionable products. Among them the more commons are: i) today's consumer is more demanding ii) to know how to combine clothes, iii) to actualize their wardrobes more frequently, iv) to seek a new quality – price relationship, v) to demand more personalisation and, vi) to purchase clothes during sales seasons. In the case of apparels, people acquire such items for a wide variety of reasons, for example: i) out of need, ii) to replace products they already have, iii) for the pleasure of purchasing, iv) to feel more attractive for others or v) to demonstrate their status [Robalo, Zélia].

Furthermore, and according to the vision of Liao et al. most of the consumers frequently buy apparels under the influence of impulse, especially women and younger members of society due mainly to psychological factors. In addition, according to the theory proposed by Veblen, consumption is the desire to affirm a particular sense of status. Hence, it is not enough, for an individual to be rich and powerful, it is important that his wealth and power be recognised by the society in general and by the social groups that he belongs to. Visual merchandising represents the most important marketing tool and represents the most direct means of communication to the product' target [Davies, Barry J. & Ward, Philippa].

The visual merchandising highlights the visual product identification, the brand concept and the means of managing the relation between the consumer and the product influencing positively the sales. Among the several marketing strategies, merchandising is the one which allows to establish a closer communication with consumer and a direct level of interaction [Massara, Francesco].

The appearance of the inward store is of great importance and should be coherent with the products on window display. A consistency should exist with the product image and its positioning to help improve customers satisfaction. Through the shop window, there is a “clear declaration” reaching out to the respective target-audience. Both Demetresco and Sen et al. maintain the shop-window should be designed to reflect the essence of what the store represents, its product range and symbolism. It attracts

the gazes of passers-by in the world beyond; it also draws the consumer into the store. Some of the core components to visual merchandising are: the shop-window, the layout, lighting, temperature, colour, the sound and aroma. These features have already been studied by various researchers as components to visual merchandising and have proven to have great influence over consumer purchasing behaviour.

In choosing these merchandising associated factors, attention must also be paid to the target-audience. The closer the access and understanding of their needs the greater the means in which components of visual merchandising can be used.

It is furthermore important to review the prices, the variety of articles carried by the store, the display featuring ever more realistic shop mannequins, the store ambience, the incidence of display rotation, the distribution of items of apparel, the types of display cases, the existing systems of storage. This all serves to ensure the greater success of the brand among consumers who seem now increasingly aware and demanding (Morgan, Tony) (Lachman , M.E Brett)

The deployment of colours, lighting, sound, fragrances and visual images are particularly effective in clothing stores, proving able to attract and “touch” more consumers, giving them more positive experiences in terms of "humour” and emotions, driving a greater sense of involvement with the store and the brand, creating bonds and elements of mutual identification. (Spangenberg, Eric R., David E. Sprott, Bianca Grohmann & Dan Tracy).

The main objective of this paper is to study the influence of visual merchandising (especially the one related to the shop windows) on consumer buying behaviour according to the gender, and to the store attributes most valued by consumers in shopping centres. To attain this objective two research questions were developed: 1) What is the influence of the shop window on consumer buying behaviour according to gender? and 2) What is the influence of fashion store’s attributes on consumer buying behaviour according to gender? The following hypotheses are set out

H1: There are significant differences in consumer buying behaviour in relation to a shopping centres’ store window according to gender;

H2: There are significant differences in the factors valued by consumers on going into a store according to gender;

H3: There are significant differences in the influence level of store's attributes that influence the purchase options according to gender.

2. METHODOLOGY

In this research, non-random sampling technique, i.e. the selection of sampling units depends on the researcher's judgment. Beyond this sampling technique, snowball sampling process was also deployed. This is a kind of intentional sample in which the researcher chooses a starting group of individuals who are requested to provide the names of other individuals belonging to the same population. Thus, in this research, we chose to send the questionnaire by e-mail to all the contacts on the researcher's mailing list living in area of study, and, later, to disseminate it by the snowball.

The study sample comprises of 334 respondents. The questions were mostly closed. We chose this kind of questions because they have more recognised advantages, i.e. they ensure comparable answers given that they vary little, provide respondents with an acknowledgeable task, are easier to answer and also because they offer more easily examinable, reliable, and statistically treatable answers. Concerning the answers obtained from the questionnaires, they are measured according to three kinds of scales: the ratio, Likert and dichotomic scales. Furthermore, in order to quickly obtain more responses, they were received by e-mail. Therefore, the questionnaires were both sent and received by e-mail with data being exported to the SPSS 15.0 software in order to develop statistical analysis. In order to obtain answers for the research questions descriptive and multivariate statistics were used.

3. RESULTS AND DISCUSSION

3.1 Demographic factors of the sample:

In order to contextualise this analysis, the consumer profile of respondents is analysed. Beginning with age, the majority of respondents were aged between 21 and 25 (37%), followed by the age group ranging from 26 to 30 (20%) and then the 31 to 35 (17%) age group. All remaining age scales registered a percentage of less than 10% of respondents. As regards professional status, they divide up as follows: most of the respondents are contractually employed by a third party (54%), followed by students (30%) and with the remainder made up of a percentage of less than 7%. In the case of academic qualifications,

the majority hold a degree (57%), followed by secondary schooling with 18% and finally the 12% that attained a primary school level of education. Considering the average monthly household income, the largest group of respondents earned between 50000 INR and 1, 00000INR (31%), followed by those with monthly incomes of between1, 00000 and150000 19% and finally a group with earnings between1, 50000and 2, 00000 (14%). There were only 10% of respondents recording earnings above INR 250000. Finally, in terms of gender, in the research sample majority represented women (65%) with males accounting for only 35% of respondents.

3.2 Influence of the Shop-window on Consumer Buying Behaviour:

To answer the first research question seeking to identify the extent of the influence of the shop window on consumer buying behaviour in shopping centres, descriptive statistics are presented. As regards to the consumer buying behaviour in relation to a shopping centre store window according to gender, the data analysis reveals that women before going into a clothing store looks firstly to window displays at the beginning of the fashion season, while men look at the window display every time go shopping (Table 1).

	Mean			Std deviation		
	Women	Men	Avg	Women	Men	Avg
Always look at the window display before going into a clothing store	4.86	4.56	4.76	1.81	1.89	1.85
Always look at a clothing store window display to see the latest news	4.76	3.97	4.49	1.61	1.69	1.65
Always look at a clothing store window display at the beginning of the fashion season	5.06	4.08	4.72	1.57	1.66	1.615
Always look at a clothing store window display with the objective of buying an item	3.55	3.36	3.48	1.57	1.56	1.565
Prefer to see a window display when the colours are in match of the latest season	4.58	3.7	4.27	1.58	1.77	1.675
Always look at the window display to see the latest fashionable trends	4.43	3.92	4.26	1.54	1.66	1.6

Table 1 Consumer behaviour in relation to a shopping centre store window display according to gender
As regards the first research hypothesis (H1: There are significant differences in consumer buying behaviour in relation to a shopping centre store window according to gender

3.3 Shopping centre store attributes:

The second research hypothesis (H2: There are significant differences in the factors valued by consumers on going into a shopping centre store according to gender) was tested using the T Test (table 2). As can be seen in table 2 only two of all the researched factors seems to be valued differently by consumers depending on their gender. These factors are: the window display lighting and the visualisation of the display from inside the store. So, according to these results the hypothesis H2 is partially supported. A bigger sample will be needed to reinforce this analysis and makes it more reliable

Table 2 Factors valued by consumers on going into a shopping centre store according to gender

consumer behaviour towards display		Levene's test		Test for equality of means		
		F	Sig	t	df	sig
Always look at the window display before going into a clothing store	EVA**	0.487	0.49	1.438	330	0.15
	EVNA***			1.419	223.8	0.15
Always look at a clothing store window display to see the latest news	EVA**	0.151	0.7	4.181	330	0.00*
	EVNA***			4.118	222.6	0
Always look at a clothing store window display at the beginning of the fashion season	EVA**	0.298	0.59	5.308	330	0.00*
	EVNA***			5.22	221.7	0
Always look at a clothing store window display with the objective of buying an item	EVA**	0.133	0.72	1.06	330	0.29
	EVNA***			1.061	232.4	0.29
Prefer to see a window display when the colours are in match of the latest season	EVA**	1.02	0.31	4.569	330	0
	EVNA***			4.418	211.5	0
Always look at the window display to see the latest fashionable trends	EVA**	0.293	0.59	2.787	330	0
	EVNA***			2.722	217.4	0

Legend: Grouping variable: gender; *:Significant at a 5% level of significance; EVA**: Equal variances assumed EVA***: Equal variances not assumed

As regard to the hypothesis H3: “There are significant differences in the influence level of shopping centre stores attributes on purchase options according to gender.”, the t-student was applied. According to the results obtained the shopping centres stores' attributes that seems to influence the shopping options in a different way depending on gender are: the clothing brand, the variety of the assortment, the products displayed in the window, the items dressing the mannequins, the store layout and presentation, the price, the general store ambience, and the high turnover of window displays

Table 3 Results of T test for H3

shopping centre attributes		Levene's test		Test for equality of means		
		F	Sig	t	df	sig
The clothing brand	EVA**	2.337	0.12	2.045	330	0.042*
	EVNA***			2.076	242	0.039
The variety of assortment	EVA**	0.027	0.87	2.135	330	0.033
	EVNA***			2.11	224.7	0.036
The products displayed in the window	EVA**	0.335	0.56	2.525	330	0.012*
	EVNA***			2.575	245.7	0.011
0.021	EVA**	0.418	0.52	2.117	330	0.035*
	EVNA***			2.184	253.8	0.03
The store layout and presentation	EVA**	2.371	0.13	3.032	330	0.003*
	EVNA***			2.931	211.3	0.04
The price	EVA**	7.208	0.01	2.125	330	0.034
	EVNA***			2.11	184	0.050*
he general store ambience	EVA**	3.093	0.08	2.195	330	0.029
	EVNA***			2.11	208.2	0.036*
High turnover of window displays	EVA**	1.141	0.29	3.019	330	0.003*
	EVNA***			3.108	252	0.002
past experience with the brand	EVA**	0.208	0.65	0.343	330	0.732
	EVNA***			0.343	233.3	0.732

Legend: Grouping variable: gender; *:Significant at a 5% level of significance; EVA** Equal variances assumed EVA***: Equal variances not assumed.

4. CONCLUSION

This research contributes to improve the knowledge on consumer buying behaviour regarding fashionable products in shopping centre stores. Thus, this research intends to find answers to the

following question: “What is the influence of shop window on consumer buying behaviour according to gender?”. Our findings demonstrate that for the sample studied, women place greater emphasis on window displays, especially at the beginning of fashion seasons, with this factor representing a very strong pole of attraction encouraging the individual to enter the store, compared with men who tend only to glance at the window display when already decided to go into the store. This research makes possible to deduce that women are more susceptible to novelty and pay greater attention to fashion when compared with men who are more susceptible to impulse purchases. This conclusion enables display designers to grasp the importance of always including the trends, colours and lines of the season particularly for collections targeting a female market and embarking on the design process with the objective of visually merchandising the store through the window display, especially in women stores. As regards the second research question: " What is the influence of fashion store’s attributes on consumer buying behaviour according to gender?" it is possible to conclude that man place different values on the respective components of visual merchandising within stores, especially, the window display lighting and visuals of the display from inside the store, with the same not happening with regard to fragrances, the sounds, the points of lighting illuminating the store structure and the lighting placed above product shelves. Finally, the shopping centre stores attributes that influence purchase options according to gender are: the clothing brand, the variety of the assortment, the products displayed in the window, the items dressing the mannequins, the store layout and presentation, the price, the general store ambience, and the high turnover of window displays. Thus, it is necessary to take into consideration, whether in developing collections or in developing store visual merchandising, the differences found in male’s and female’s consumer behaviours in shopping centres, which is line with other studies . Although these conclusions may reveal only a trend it contributes towards the development of more effective and strategic visual merchandising in the fashion stores of future shopping centres. In this line of sought new researches in different national contexts and with bigger samples must be developed in order to confirm the main conclusions gathered in this study.

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Innovation Starts with Talent Management Which Propels Greater Business Performance

*Sundarapandiyan Natarajan, Associate Professor, VIMS, Coimbatore
(Research Scholar, Bharathiar University, Coimbatore)*

Dr. S.Babu, Ass. Professor, M.R. Govt. Arts College, Mannargudi

Abstract

Innovation in business is inevitable in the 21st Century. The most precious resource in an organisation today is the people who make a difference. In today's global economy, Global Talent Innovation priorities are differentiated talent abilities, accelerative business performance skills, developing leadership capabilities and innovative talent culture. Talent Management is a systematic continuous process to attract, develop, and retain talents in order to attain corporate goals. The best way to engage talents in an organisation is by developing them to be business partners. There is also a requirement to plan and map talent requirements of today and find future expectations. This is the responsibility of corporate leaders in transforming their organisation's success.

Today's business environment requires a productive, committed and engaged dynamic workforce with right skills and right place to meet its business expectations. Corporate leaders have the opportunity to nurture innovation in their organisations through people by being personally focused on talent management strategies. According to surveys from Boston Consulting Group and McKinsey & Company, 70 percent of organizations indicate innovation as a top-three strategic priority. Organisations today are having difficulties aligning their talent strategies alongside their corporate vision, mission and strategies. One of the major reasons to focus on talents is that it is a great way to get Talent Management into a broader discussion plan about what is next for the organization and to contribute to the overall business performance of the organization and the best way the Human Resource (HR) function can add value to corporations.

The Changing Global Business Climate

Employer-Employee trust is a great challenge in today's organizations. Employers expect the maximum productivity on a short term basis as they are uncertain of the employee's stance in their organizations. On the other hand, employees are confronted with working in an organization where they are unsure of their jobs and are ready to move out anytime from their jobs. Surveys conducted by the Center for Work-Life Policy (CWLP) show that between June 2007 and December 2008, the number of employees expressing loyalty to employers plunged from 95 percent to 39 percent. The number that trusts their employers fell just as dramatically, from 79 percent to 22 percent over the same time period. Surveys in mid-2009 continued to report similar disenchantment and mistrust. The changes in the corporate world affects effective Talent planning, including globalization, the developing economies, the increase in knowledge workers, the need for Talents to work anywhere in the world and the need for local workforce with an international mind-sets.

To sustain in a business, it is so crucial to involve, engage and empower people in organizations to innovate and work towards organizational vision, mission and strategies. Anto Antony - Bloomberg (01.01.2015) news reports that The Prime Minister of India, Mr Narendra Modi joins the reserve bank governor, finance minister and relevant corporate bank officials to brainstorm struggling state banks. It is clear that government and government related corporate are moving towards flat organizational structure to innovate and improve their business sustainability.

People are the force who drive innovation. It is important to start the innovation concept from the people in organizations. Corporate leaders need to hold the right resources, systems and tools to help assess and identify the high-performers in their organization. Those are the talents who influence their business drive in innovative ways. These high-performers need to be identified and involved in the making of business decisions.

The best performing businesses in the world involves talents who are innovative and engaged in their overall corporate goals. In 2009, Time Warner, Inc. decided to break the pattern of keeping information concealed from its workforce. During this period of economic uncertainty, the then CEO Jeff Bewkes began hosting "skip-level" lunches that included high-potential Talents several layers down in the organization. These were specially targeted high performers who were considered the connectors and influencers in their departments, but who lacked regular access to senior leadership. Through these unscripted two-hour lunch sessions, Bewkes shared his vision and

answered their questions. Employees gained confidence in their organizations, and their entrepreneurial vision increased, allowing for more strategic innovation to occur throughout the organization. In order to involve performing talents in organizations, it is critical that the employees are selected, evaluated and compensated on the basis of business-aligned competencies and rigorous business performance requirements. It is also important to make the leaders accountable for developing talents and attracting high-performing employees. There should also be a clear process to identify Talent competency gaps that are to be fully addressed by relevant Talent development programmes.

Talent and Business Strategy Alignment

Talent strategy and business strategy alignment are the major challenges in the corporate world today. Organizations continue using outdated approaches to Talent Management, structure rigid jobs for their employees with fixed functional roles, including training and development and performance management systems focusing on functional aspects rather than aligning with organisation's vision, mission and core strategies. Business sourcing leaders micro-manage their businesses. The major ignorance of the leaders is the lack of knowledge on how to direct their talents towards corporate goals. Human Resource managers are more effective in technical or operational aspects of human resource functions than they are in strategic aspects, even though strategic aspects have a much larger effect on the company's success (Mason Carpenter et al, 2014). Talent attraction and development towards business needs are required in order to attain corporate vision, mission and core strategies.

The top priorities of global talent innovation are the differentiation of talent abilities, accelerative business performance skills, ownership development, and the nurturing of a talent culture. It is incumbent upon the Talent Management cycle to include Talent Attraction and Sourcing, Talent Development, Talent Retention and Succession Planning. In recent days, organisations achieve outcomes, showing up in breakthrough performances, higher competitive advantages, better business sustainability and a global reach through steady innovation in their talent strategies.

The Global Talent Innovation

In business today, there are a lot of happenings which have greater influence on dependent resources. Organizations are moving away from the traditional ways of recruiting top talents, and retaining them to maintain their competitive sustainability. Organizations finding talents with their

outperforming skills, passion towards employees personal branding, is increasing. Employees are also moving away from full time jobs. They focus more on portfolio based, project based and personal branding with passion as their primary focus. Out in the market it can be seen that there are employees who look for jobs, and the unemployed, are mostly young people. On the other hand, people who are in employed and not retired yet are the baby boomers. From these groups it can be noticed that they have low level engagement in their jobs and careers. Manpower (2006) survey of nearly 33,000 employees in 23 countries reveals that 40 percent are struggling to locate qualified candidates. This shows clearly the need for right talents who are open for business innovation and have their pursuit of passion towards their personal excellence.

From the sources of the Forbes 2013 – “Worlds’ most valuable brands”, as ranked 3rd in the world, Google is a good example of a company that has done an exceptional job of recruiting and managing people who have critical knowledge skills. It needs talented people to perform well and that translates into how they communicate about the kind of talent they are looking for and the jobs they offer. Further, they identify critical positions in the organization, where performance can differentiate them from their competitors. This is an important and critical part of the whole recruitment and selection process.

Referring to Maslow’s need hierarchy model, monetary reward is the basic level of satisfaction for human beings. Once this has been attained, the employees should strive continuously to achieve their next level of expectations such as safety in the long run, societal status improvement, and self-actualization which are aimed to attain personal values and excellence with a difference in high level of satisfaction.

Talent Attraction: The ‘employer of choice’ is a way to attract Talents. The approach to be used by an organization to attract Talent will be based on their employee values offer with the range of opportunities, together with career development plans. To fulfill the committed agreements with incumbent talents is essential to create talent retention. Attracting talents sometimes mean marketing the corporation to the people who might one day take a part in the company. According to Gunter K. Stahl, et al (2012), Infosys a global technology services company headquartered in Bangalore, India, has taken significant steps to increase its name recognition, improve its brand attraction and fill its talent pipeline by combining global branding activities with efforts in local communities. Armstrong (2001) identifies the key advantages of a more flexible approach to talent planning as the anticipation of problems of shortage or surplus and the development of a flexible

workforce able to adjust to uncertainty and change with less reliance on external recruitment and improvements in the utilization of the workforce through increased flexibility. It is important to recognize the target work group and to promote corporate employer branding, flexible workforce opportunities and corporate internal strengths and development programmes to help to attract the right talents.

Talent Development and learning structures are required for organizations in order for them to standardize their training and development activities and to integrate their corporate goals. It is ensuring the continuous training and development of talents in organizations including formal and informal training to attain organizational goals. In a recent study, it was found that more than 70 percent of successful talent development programmes are through on-the-job training. The remaining 30 percent are through training and development programmes which include structured group training and outdoor training activities (cf. Leaderonomics 2014). The major role of Talent Management is to coach and mentor talents continuously on their job, working together to attain organizational transformation.

Talent Retention has to overcome talent turnover issues, to retain the best talents, to have proper talent management strategy with proper recruiting budget, job standards, positive work environment and to have in place a proper succession plan for future turnover issues. A certain level of employee turnover can have positive benefits for organizations. New employees to replace those who leave the organization can bring new ideas, new blood, new competencies that can add value to business. However the difficulty here is to draw a deciding line as to what level employee turnover stops being a benefit to the organizations. While there is evidence (CIPD, 2009) that many organizations try to identify why people leave, there is less evidence that organizations try to find why people stay. It is easy to find the latter as when people in organization can be surveyed regularly to see the possible factors which could successfully retain employees. Retaining talent is a challenge in today's business environment. Organisations should continuously analyse various possible factors which influence employee turnover and strategize with a proper succession planning.

Succession Planning is finding the key talents within the organization. It involves finding up to 5 percent of key talents within the organization, from different areas of expertise. Training these talents is the investment in developing high performance Talents. This includes developing talented employees by improving their competencies in leadership roles. This is a difficult task in the talent management process. Succession planning is defined by Hirsch (2000) as a process by which one or

more successors are identified for key posts, with career moves and development activities planned for these successors. Succession planning is taking risk to invest on future leaders of organizations. It requires serious assessment to find the key talents in each area of expertise and to plan for their training and development. Succession training and development needs to focus on future organizational expectations based on organization's future strategies.

In **conclusion** Innovation must begin with the Talent Management of people for greater business performance. It is necessary for organizations to link their people strategy and business strategy. Talent gap assessments to meet business goals requirement is an incumbent process in order for organizations to attain their goals.

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