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Aims & Scope

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Consumers' intention to hire wedding planners: a study of selected cities in Northern India

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ABSTRACT

This paper is an attempt to identify and understand the factors responsible for consumers' intention to hire wedding planners. Wedding planning is a combination of both tangible and intangible products such that wedding planner provides the service of managing events and purchase of related items (gifts, jewellery and dresses, etc.) on behalf of the consumer. The literature review revealed that factors like perception, motivation, attitude, trust and social pressure are responsible for consumers' intention to hire wedding planners. To study the topic, data have been accumulated from three cities, i.e. Delhi, Ludhiana and Chandigarh. The results reveal that factors like trust on wedding planners, perception towards wedding planning firms, motivation and societal pressure have significant influence on consumer's intention to hire wedding planners. Thus, this study helps in understanding the main factors responsible for diverse consumer behaviour.

Keywords: wedding planners; consumer behaviour; consumer's intention.

1 Introduction

Wedding industry has been one of the profitable segments among various industries. As per KPMG report, the wedding industry has a market for USD 50 billion (Nandwani, 2018). Significant amount of money is spent on wedding celebrations as it involves arrangement and coordination of many activities (Eppolito, 2019). Some people throw a lavish party due to societal pressure while others spend more money to satisfy their own desires. The pressure of society is present in both rural and urban segments of India (Bloch et al., 2004). Hectic schedules of consumers have made them more dependent on wedding planners for marriage arrangements (Liu et al., 2015). Although wedding planning is a huge and profitable business but still it has been a least discussed area in research. Business of wedding celebrations will never face a recession as weddings happen at each level and in each religion (Sengar, 2020). But this doesn't mean that wedding professionals can take risk with the quality of services as the market is flooded with numerous wedding planners (Eppolito, 2019).

Wedding planning business involves management of suppliers, employees, travel agency and other event related activities (Eppolito, 2019). This is the reason why weddings are often considered as a cumbersome and complex task. Since these weddings can raise a question on dignity and image of a consumer, it may have an intense impact on the consumer. Individuals availing the services of wedding planners can be called as "consumers" as well as "clients" (Peragine, 2008).

There are plenty of websites available on the internet that provide various options of wedding related services. Some of these websites include 'Wed Me Good', 'ShaadiSaga', 'Zank You', 'Wedding Wire',

and ‘ShaadiDukaan’. These websites have aggregated vendors, artists, freelancers from different places to meet a wide array of demand from consumers. These websites also help the consumers to create a separate webpage for their wedding in order to easily collate and manage all the details related to a wedding event.

1.1 Need for the study

The increasing numbers of wedding planners have made wedding industry very competitive (Sengar, 2020). A big question that arises is why some people hire wedding planners and why some people don't hire them. There is need to find about the perception and expectations that consumers hold towards these wedding planners. Also, it is imperative to investigate the main reason for popularity of wedding planners these days. There is no doubt that wedding sector has been most profitable and simultaneously a neglected sector in research, hence there is need to explore more about weddings from marketers and consumers point of view.

Many wedding companies' websites claim to provide all sort of wedding related services like venue booking, invitation cards, caterer and choreographers, etc. Thus, it is equally important to find out the most important service that a consumer expects to be performed in best possible manner by the planner. The findings will not only help in understanding consumers but would also highlight the areas for improvement in wedding companies' offerings (Liu et al., 2015). Through the study of consumer's perception, attitude, motivation and intensity of social pressure, one can make strategies to target the market. It takes a lot of time in building trust among consumers because consumers would never desire to take the risk for their most precious moment of life. Thus, there is need to study more about consumers' thoughts related to wedding planning firms.

1.2 Objectives

It is very important to simplify main objectives of the study as it helps in framing the structure of research (Cooper and Schindler, 2006). The objectives of this study are as follows:

- 1 To understand the concept of wedding management and wedding planners.
- 2 To identify the factors responsible for choice of wedding planners.
- 3 To understand the relationship between “Factors responsible for choice of wedding planner” and “consumer's intention to hire wedding planner”.

2 Review of literature

2.1 Consumer behaviour

Consumer behaviour concept has provided basis for many studies. While studying consumer behaviour, many other disciplines (Psychology, Sociology and Anthropology, etc.) are also examined altogether to arrive at a decisive point (Schiffman et al., 2010). In simple terms, a consumer is a receiver who receives product or any service from the business firm. Consumer behaviour is influenced by psychological factors (motivation, perception, attitude, and learning), social factors, cultural factors and personal factors (Schiffman et al., 2010). The purchase decision of consumer is influenced by these factors. There is difference between action and intention to take an action (Wells and Prensky, 1996). A purchase of product or service displays consumer's action, whereas, merely taking a decision to buy a product or service would be an intention to take an action (Ajzen, 1985).

Hiring Intention: “Hiring intention” is intention/desire of a customer to hire wedding planner or delegate the responsibility of arranging an event to some other expert vendor. Consumer's intentions are also influenced by factors like psychological factors (motivation, perception, attitude, and learning), social

factors, cultural factors and personal factors (Singh, 1988). The reason for the same is that “an intention leads to an action”, therefore influencers shall remain identical for both intention and action (Wells and Prensky, 1996).

2.2 Wedding planning and management

Weddings are a temporary project for wedding firms but a permanent memory for the consumers or clients (Liu et al., 2015). Weddings are no more just a ritual instead they have become a business opportunity for many firms. Millions of rupees are spent in a luxurious weddings. Although event management is similar to wedding management on few aspects but practically there is a major difference between them. Depending upon the situation and list of activities, management is done. “Management” can be seen with a wider view as management can be done for both people and objects, thus management of different things requires different skills.

With the generation, the demands of consumers have changed, now there is trend of destination wedding, theme wedding and pre-wedding shoots too. These all new phenomena have added to the cost of weddings. Thus, this has created an unnecessary demand for those who cannot afford to bear such expenses. These weddings have been transformed into a fully-fledged business (Peragine, 2008). Plenty of information is available on websites and various physical stores are also opened in market. The problem is with the authenticity and trust because there are so many fake websites these days that one cannot rely on anyone. Apart from the budget there are many other things that bother a wedding planner, such as like, venue, number of guests and type of guests, etc.

The wedding planning websites provide services like venue bookings, decorations, caterers, photographers, videographers, make-up artists, choreographers, accommodation, music, transportation and mehendi artists, etc. (Daniels and Loveless, 2014). There are various courses available for the same. Wedding planners face issue when they have to work with a restricted budget, such that it becomes difficult for them to maintain quality and keep a close check (Liu et al., 2015). We see less advertisement of planning firms over television, rather they are more in newspapers, magazines and over internet (Wilkolaski, 2006).

Wedding Planners: Originally from year 1800 onwards, the rise of consultants started in the developed nations (Wilkolaski, 2006). Planners are the ones who hold the responsibility for making arrangements of an event. Thus, wedding planners are the ones who make arrangements for the event called “wedding”. There are two kinds of planner i.e. traditional planner, referral planner and non-traditional planner. The traditional planners have link with vendors and they charge commission from bridal client. Referral planners charge commission from vendors and not from bridal client. Non-traditional planners are modern planners who charge customers on the basis of kind of service that customer has availed (Wilkolaski, 2006). These planners provide three kinds of packages i.e. small, medium and large. The smallest package starts from Rs. 400,000 and further additions increases the cost of package (Wilkolaski, 2006). There is difference between wedding consultant and wedding planner. Consultant only advises the client and responsibility of taking decisions solely rests with the client. Whereas, wedding planner does most of the job and takes most of the decisions (Wilkolaski, 2006). There are various traits that a planner must possess like self-confidence, problem solving skills and logical thinking, etc.

2.3 Factors influencing consumers’ intention to hire wedding planners

As earlier discussed, there are many factors that influence consumers’ intention to hire wedding planners. Different researchers have quoted and studied unique variables that may be assessed while making wedding plans (Farzana and Ilayaraja, 2015). However the role of each variable /factor cannot

be generalised in all the situations as different consumers have different preferences (Eppolito, 2019). Farzana and Ilayaraja (2015) found that the families of both groom and bride hold similar opinion related to booking of venue and other services. Few authors had a view that there is prominent role of groom's family in decisions related to wedding.

Only few relevant factors have been selected for the study like consumer's trust, social pressure, perception, motivation and attitude.

- **Trust:** Trust is a small word but has a deeper meaning. It can take years to build trust, thus consumers also prefer to avail services from those firms which are trustworthy. In the era of digitalisation, people search for online ratings and reviews before finalising any planner. However, the authenticity of online data and information cannot be verified. Since wedding is once in a lifetime moment, therefore people prefer only the experienced and renowned planners. This can also be inferred that more a consumer trusts a planner, greater will be his/her intention to avail services from that particular planner.
- **Social pressure:** Society has been playing a major role in determination of various aspects of society. Society influences and sometimes pressurises an individual to indulge in a certain act. Sociology and psychology are most important disciplines that are considered while studying consumer behaviour. It has been seen that social pressure is one of the reasons that forces people to spend more on wedding celebrations. The saddest part is that, the image and reputation of an individual is being decided/ judged by lavishness of the wedding event (Castillo, 2016).
- **Perception:** Many consumers perceive the hiring of wedding planner as a waste of money and time. Some consumers feel that they cannot do the work with perfection as they are doing business and may compromise with the quality of work. However, several consumers may be in favour of hiring wedding planners. Perception may be defined as a way one interprets the environment, thus perception towards hiring of wedding planner is an interpretation of consumers regarding wedding planners (Schiffman et al., 2010).
- **Attitude:** Attitude may be developed towards a person or an object. Attitude may be positive or negative such that it displays feeling of someone towards something (Schiffman et al., 2010). Attitude of consumers towards wedding planning firms or wedding planners may be positive or negative. It is important for firms that consumers develop a favourable attitude towards them (Eppolito, 2019).
- **Motivation:** Motivation displays a motive behind an act. Motivation may be monetary or non-monetary depending upon what motivates an individual (Wells and Prensky, 1996). Motivation behind hiring wedding planners could be to save cost and time or to satisfy esteem need by hiring professionals.

3 Hypotheses

Since limited literature was available related to hiring intentions, this left many contradictory opinions. Thus following hypotheses were framed for testing:

H01: There is no significant relationship between Consumers' trust and Consumers' Intention to hire Wedding Planners.

H02: There is no significant relationship between Perception and Consumers' Intention to hire Wedding Planners.

H03: There is no significant relationship between Attitude and Consumers' Intention to hire Wedding Planners.

H04: There is no significant relationship between Motivation and Consumers' Intention to hire Wedding Planners.

H05: There is no significant relationship between Social pressure and Consumers' Intention to hire Wedding Planners.

H06: Consumers' trust doesn't mediate the relationship between Perception and Consumers' Intention

to hire Wedding Planners.

H07: Consumers' trust doesn't mediate the relationship between Attitude and Consumers' Intention to hire Wedding Planners.

H08: Consumers' trust doesn't mediate the relationship between Motivation and Consumers' Intention to hire Wedding Planners.

H09: Consumers' trust doesn't mediate the relationship between Social pressure and Consumers' Intention to hire Wedding Planners.

H10: There is no significant difference in Perception, Attitude, Motivation, Social pressure, Trust and Hiring intention of consumers (towards wedding planning firms) belonging to different Age categories.

H11: There is no significant difference in Perception, Attitude, Motivation, Social pressure, Trust and Hiring intention of consumers (towards wedding planning firms) belonging to different Occupation categories.

H12: There is no significant difference in Perception, Attitude, Motivation, Social pressure, Trust and Hiring intention of consumers (towards wedding planning firms) belonging to different Education categories.

H13: There is no significant difference in Perception, Attitude, Motivation, Social pressure, Trust and Hiring intention of consumers (towards wedding planning firms) belonging to different Income categories.

H14: There is no significant difference in Perception, Attitude, Motivation, Social pressure, Trust and Hiring intention of consumers (towards wedding planning firms) belonging to different Gender categories.

4 Research methodology

Research could be inductive or deductive, where inductive approach involves creation of new theory and deductive approach involves testing of an existing theory (Cooper and Schindler, 2006). For a good and realistic research it is important to understand the previous literature known as "secondary resource". To testify the existing theory there is need to collect primary data as well. To support this study, primary data has been collected through questionnaire which has been formed after elaborative study of secondary source information (literature review).

- Questionnaire: The questionnaire was divided into two sections containing 16 questions in total. The first section included questions related to demographics whereas, second part included questions related to consumer's perception, attitude, motivation, trust, intention and social pressure. All the questions were devised as "close ended" in order to avoid the misinterpretation of questions by respondents. Questions of second part were in the form of statements which were measured on 7 point Likert scale. 7 – Strongly disagree, 6 – Disagree, 5 – Somewhat disagree, 4 – Neither agree nor disagree, 3 – Somewhat agree, 2 – Agree, 1 – Strongly agree.

Table 1 Statements measuring perception, trust, attitude, motivation, social pressure and hiring intention

<i>Factors</i>	<i>Statements</i>
Perception towards wedding planning firms (Liu et al., 2015)	P1: Wedding firms helps in reducing the burden and pressure related to wedding. P2: Wedding firms are efficient.
Attitude towards wedding planning firms (Kim and Yu, 2019)	A1: Wedding planners do not pressurise clients to agree with their opinions. A2: Wedding planners fulfil their commitments A3: Wedding planning firms have capability to manage all the arrangements smoothly.
Motivation towards wedding planning firms	M1: Wedding planners help in managing budget of wedding. M2: Hiring wedding planners save cost and time.
Social pressure to hire wedding planner (Castillo, 2016)	S1: To maintain a reputation in front of society, it is required to host a good wedding party. S2: It is very important to invite all the relatives and friends at wedding party. S3: Wedding has become a status symbol.
Consumer's trust on wedding planning firms (Liu et al., 2015; Peragine, 2008)	T1: Wedding planning firms are trustworthy. T2: Wedding planning firms have trained and reliable staff. T3: Wedding planning firms have fair charges for every service.
Intention to hire wedding planner	I1: I would intend to hire wedding planner for wedding related functions in my family. I2: I have a strong desire to get wedding arrangements done by wedding planners whenever need arises.

Source: (Kim and Yu, 2019; Liu et al., 2015; Peragine, 2008; Castillo, 2016).

The above statements were formed to measure their respective construct. Statements P1 and P2 measured perception of consumers/clients towards wedding planning firms. Stronger the positive perception, higher would be the chance to hire wedding planner for the wedding event. Similarly A1, A2 and A3 statements measured attitude of consumers towards wedding planners i.e. whether they hold positive attitude towards them or negative attitude towards them. A positive attitude helps in initiating an action (Schiffman et al., 2010).

Statements M1 and M2 depict the motive of consumer behind development of hiring intention towards wedding planners. Statements S1, S2 and S3 have been formulated to study the impact of social pressure on an individual or family. The aim is to assess the intensity of pressure that families exerts while deciding for wedding arrangements. T1, T2 and T3 statements measure the consumer's trust over the wedding planning firms. Lastly, I1, I2 measures intention of consumers to hire wedding planner for their marriage or wedding of their near and dear ones.

- **Sample size:** Collecting data from consumers all over the various cities is a tedious task therefore with the help of email, text messages and online messaging apps questionnaire was circulated. The research area was Delhi, Chandigarh and Ludhiana (few cities of northern India). The sampling method used for data collection is convenience sampling. Approximately 500 filled questionnaires were received but only 481 were considered appropriate for analysis.

The duration of data collection was 4.5 months. In order to reduce the chances of discrepancies in questionnaire, pilot testing was conducted on 55 respondents. Their suggestions were incorporated for arrival of final questionnaire. Demographic data related to Gender (male, female); Age (18–21 yrs; 22–25 yrs; 26–35 yrs; 36 yrs and above); Education (Graduate, Post graduate, Higher Secondary School

(HSS) and Senior Secondary School (SSS); Occupation (Service, Business, Retired, Unemployed); Monthly family income (Rs.10,000–Rs.50,000, Rs. 50,001–Rs. 100,000, Rs. 100,001 and above) was also collected.

• Statistical tools: There are two kinds of analysis i.e. exploratory and confirmatory factor analysis. When the independent variables classification is not known, then exploratory factors analysis may be performed using SPSS software. When independent variables classification is known, then confirmatory factor analysis may be done using Smart PLS software (Hair et al., 2016). In present study Smart PLS 2.0 version and IBM SPSS 20.0 version software have been used for applying statistical tools.

5 Analysis and results

Firstly, details about demographics have been discussed and then all the statistical tests related to model are being presented sequence wise.

Demographics

Table 2 shows the frequency and percentage of respondents belonging to different demographic categories. Total respondents were 481 and out of which 206 respondents were from Delhi, 118 respondents were from Chandigarh and 157 respondents were from Ludhiana. The most important traits of a good wedding planner were also asked from respondents and it was found that consumers desires wedding planner to be a “Good listener”, “Courteous” and “Practical”. The reason for expecting wedding planner to be a good listener is that many times planner is not able to understand the needs of consumers (Eppolito, 2019). People also expect that the service provider should display a courteous behaviour as it may lead to communication gap. The consumer might feel uncomfortable in contacting or coordinating with the planner. Lastly, consumers would like to hire a planner who doesn’t make false promises that cannot be fulfilled and practically handles every situation. There are many services (catering, venue booking, videographer, choreographer, gifts and decoration etc.) that wedding planners provide and therefore consumers were asked about most important services that they would like to obtain from wedding planning firms (Sharma and Sharma, 2015). It was found that service of catering and venue were the most important services that consumers want to avail from wedding planners. Consumers had a view that the food and venue related factors influence wedding guests. The invited guests may feel disrespected due to improper food and sitting arrangements. Therefore, the wedding planner should carefully guide consumers for finalising catering and venue for wedding related functions (Hard, 2019).

Table 2 Demographic category

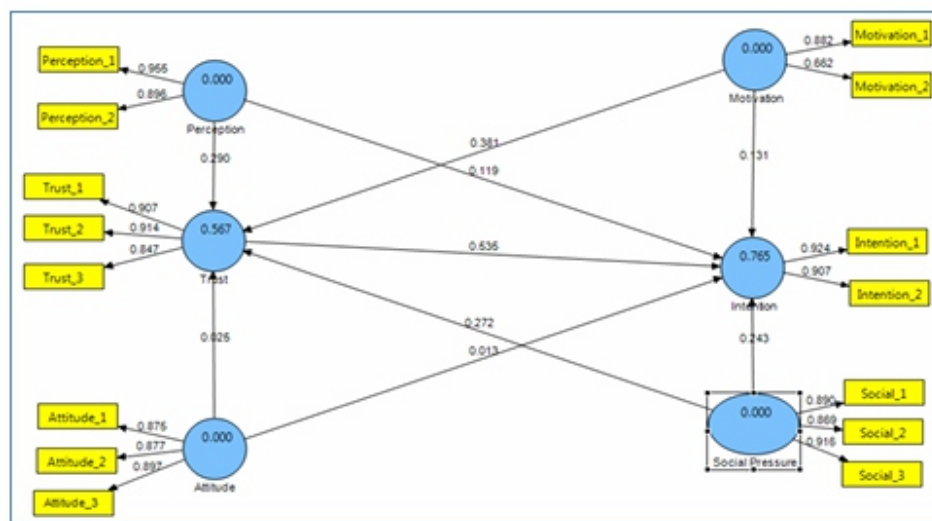
Age	Frequency	Percentage
(18–21 yrs.)	57	11.9
(22–25 yrs.)	134	27.9
(26–35 yrs.)	166	34.5
(36 yrs. and above)	124	25.8
<i>Gender</i>		
Male	202	42.0
Female	279	58.0
<i>Education</i>		
Post-Graduation	112	23.3
Graduation	216	44.9
Higher Secondary School (HSS)	94	19.5
Senior Secondary School (SSS)	59	12.3
<i>Occupation</i>		
Service	170	35.3
Business	147	30.6
Retired	79	16.4
Unemployed	85	17.7
<i>Family monthly income</i>		
(Rs. 10,000–Rs. 50,000)	67	13.9
(Rs. 50,001–Rs. 100,000)	147	30.6
(Rs. 100,001 and above)	267	55.5
<i>No. of respondents from various cities</i>		
Delhi	206	42.8
Chandigarh	118	24.53
Ludhiana	157	32.64

Source: Primary data.

Model estimation

The Smart PLS software allows testing of relationships between independent and dependent variables. To testify the data, maximum iterations for PLS algorithm option were fixed at 500. Whereas, to check the significance level of relationships, bootstrapping option was run on smart PLS software (Wong, 2013). Figure 1 shows the results in pictorial form, where five constructs are independent variables (Trust, Attitude, Perception, Motivation and Social pressure) and one construct is dependent variable (Intention to hire). “Trust” is measured with the help of three statements, “Attitude” is measured with the help of three statements, “Perception” is measured through two statements, “Motivation” through two statements, “Social pressure” through three statements and “hiring intention” with the help of two statements.

Figure 1 PLS path model after PLS algorithm option is run in Smart-PLS 2.0 version



Model estimation has two steps model testing i.e. reflective model and structural model. In reflective model certain tests are conducted and on verification of those tests, structural model is further tested. If there is any discrepancy in meeting the criteria of reflective model test, then structural model testing cannot be done (Wong, 2013).

Assessment of reflective measurement model

The results of PLS algorithm are presented in Figure 1, where “Intention” to hire wedding planner is a dependent variable. Approximately 76.50% of variance is being explained through five factors namely, perception, attitude, motivation, trust and social pressure. The value displayed in “intention” construct (blue circle) represents value of R². Minimum acceptable R² value is 0.49 and in this model it is 0.765. Thus, Explanatory power of R² in this case is higher which means that sufficient factors have been considered to interpret the intention of consumers towards hiring of wedding planners.

The model so formed is reflective in nature i.e. all the arrows of rectangular boxes comes from latent variable. For reflective model estimation four tests are necessary to be conducted for correct interpretation of the data. These tests are Internal consistency, Reliability test, Convergent validity and Discriminant validity (Hair et al., 2016). Also, the construct “Trust” has been evaluated as a mediator between other independent variables (perception, attitude, motivation and social pressure) and dependent variable (intention). It is notable that 56.7% of variance in “Trust” construct is being explained by remaining independent variables.

The Table 3 shows value of path coefficients of each path. For example: path coefficient value of path between Motivation and Intention is 0.1315. Since all the values are positive, therefore every

relationship is positive and there is no negative relationship path in the model.

Table 3 Path coefficient values

<i>Factors</i>	<i>Consumer trust</i>	<i>Intention</i>
Consumer trust	–	0.5348
Attitude	0.025	0.0131
Motivation	0.3809	0.1315
Perception	0.29	0.1188
Social pressure	0.2717	0.2434

Source: Primary data.

In order to check internal consistency, the values of composite reliability are checked which should be at least 0.70 to meet the test criteria (Hair et al., 2016) In Table 4, under composite reliability column all the values are above 0.70, hence internal consistency test is also passed. Earlier Cronbach alpha values were considered relevant for checking internal consistency but now composite reliability is preferred for internal consistency test (Wong, 2019). As per Cronbach alpha criteria, “motivation” construct value is low i.e. near to 0.40, but since its composite reliability value is above 0.70 therefore it will not affect the model fit (Wong, 2019).

Table 4 Convergent validity and composite reliability

<i>Constructs</i>	<i>AVE</i>	<i>Composite reliability</i>	<i>R-Square</i>	<i>Cronbach alpha</i>
Attitude	0.7801	0.9141	–	0.8636
Intention	0.8375	0.9116	0.7649	0.8064
Motivation	0.608	0.7525	–	0.3746
Perception	0.8574	0.9231	–	0.8396
Social Pressure	0.7955	0.921	–	0.8718
Trust	0.7916	0.9192	0.5675	0.8677

Source: Primary data.

For Individual indicator reliability test, outer loadings derived from the software report are being checked. Table 5 shows the scores of individual indicators such that all the values are above threshold value i.e. 0.60 (Wong, 2019). The third test of convergent validity is conducted by comparing AVE value with threshold value. Minimum acceptable value is 0.60 and in column 2 (AVE) of Table 4 all the values are above 0.60. Thus, convergent validity is also there.

Table 5 Individual indicator reliability

<i>Scale items</i>	<i>Attitude</i>	<i>Trust</i>	<i>Motivation</i>	<i>Perception</i>	<i>Social pressure</i>	<i>Intention</i>
Attitude_1	0.8753					
Attitude_2	0.8768					
Attitude_3	0.8974					
Trust_1		0.9067				
Trust_2		0.9141				
Trust_3		0.8468				
Motivation_1			0.8817			
Motivation_2			0.6623			
Perception_1				0.9546		
Perception_2				0.8964		
Social_1					0.8899	
Social_2					0.8695	
Social_3					0.9158	
Intention_1						0.9236
Intention_2						0.9066

Source: Primary data.

Table 6 Discriminant validity (Fornell-Larcker criteria)

<i>Factors</i>	<i>Attitude</i>	<i>Intention</i>	<i>Motivation</i>	<i>Perception</i>	<i>Social pressure</i>	<i>Trust</i>
Attitude	0.883					
Intention	0.473	0.915				
Motivation	0.189	0.609	0.780			
Perception	0.678	0.594	0.370	0.926		
Social Pressure	0.509	0.673	0.432	0.459	0.892	
Trust	0.432	0.831	0.610	0.573	0.582	0.890

Source: Primary data.

There are two ways to check discriminant validity i.e. cross loading method and Fornell Larcker criteria. The second method i.e. Fornell-Larcker criteria is considered more relevant for checking discriminant validity (Wong, 2019). Under this criterion, square root of AVE value of each construct is being compared with latent correlation scores. In Table 6, attitude's construct AVE value is 0.883 which is greater than all the other values in that particular column (i.e. greater than 0.473, 0.189, 0.678, 0.509 and 0.432). Similarly for Intention construct, AVE value is 0.915 which is greater than other values of that particular row (i.e. >0.473) and column (> 0.609, 0.594, 0.673 and 0.831) both. This criterion is also met as all the AVE values are greater than their respective row and column values.

The above four tests are important before the assessment of structural model as in different situation the applicability of tests changes. After these tests, a small test of multi-collinearity is essential because the collinearity issue will not disclose reliable results.

Multi-collinearity

Multi-collinearity between constructs can hamper the research results, therefore it is important to identify the presence of collinearity. With the help of Variance Inflation (VIF) value it can be determined whether the two constructs are collinear with each other or not. VIF value would be less than "5" if there is no multi-collinearity between the constructs. The presence of collinearity depicts that all the scale items are not part of different constructs, instead belongs to a single construct (Garson, 2016). This will ruin the purpose of research and this is the reason that pilot testing and pre-testing is usually done before final survey.

In Table 7, VIF values have been calculated in two sets. In the first set "intention" is kept as dependent variable and in the second set "Trust" is kept as dependent variable. VIF values are below 5 in both the cases, therefore there is no issue of multi-collinearity between the constructs.

Table 7 Collinearity statistics

<i>Factors</i>	<i>Intention</i>		<i>Trust</i>	
	<i>Tolerance</i>	<i>VIF</i>	<i>Tolerance</i>	<i>VIF</i>
Perception	.411	2.432	.448	2.230
Social	.563	1.775	.629	1.591
Attitude	.440	2.275	.440	2.274
Motivation	.622	1.607	.747	1.339
Trust	.465	2.152	–	–

Source: Primary data

Significance of structural model relationships

The reports and results presented through PLS algorithm only reveals the relationship between variables

but does not provide any information related to significance of the established relationships (Wong, 2019). Path coefficients values (ranges from +1 to -1) explain whether there is positive relationship or negative relationship between independent and dependent variable. Higher value means that there is positive relationship, whereas negative value implies a negative relationship between variables.

For significance level, t-statistics calculation is carried using bootstrapping option of Smart PLS software. Significance level may be checked at 1%, 5%, 10% such that t-values for them are 2.57, 1.96 and 1.65, respectively (two-tailed tests). At 5% significance level, relationships were tested and values are presented in Table 8.

Table 8 Significance or t-statistics

<i>Path</i>	<i>Original sample (O)</i>	<i>Sample mean (M)</i>	<i>Standard deviation (STDEV)</i>	<i>Standard error (STERR)</i>	<i>t-statistics (O/STERR)</i>
Attitude → Intention	0.0131	0.0142	0.0357	0.0357	0.3678
Attitude → Trust	0.025	0.0303	0.041	0.041	0.6088
Motivation → Intention	0.1315	0.1333	0.0272	0.0272	4.8349
Motivation → Trust	0.3809	0.3904	0.036	0.036	10.5695
Perception → Intention	0.1188	0.119	0.044	0.044	2.7001
Perception → Trust	0.29	0.2851	0.0395	0.0395	7.3338
Social pressure → Intention	0.2434	0.2423	0.0301	0.0301	8.0935
Social pressure → Trust	0.2717	0.2654	0.0367	0.0367	7.3956
Trust → Intention	0.5348	0.5327	0.0303	0.0303	17.6318

Source: Primary data; Significance $p > 0.05$.

In Table 8, all the values of t-statistics are above 1.96 except for two paths i.e. Attitude → Trust and Attitude → Intention. This means that these two paths or relationships are not significant. Therefore hypotheses H03, H07 are accepted and hypotheses H01, H02, H04, H05, H06, H08, H09 are not accepted. In brief, perception towards planners, motivation to hire planners, trust on wedding firms and societal pressure are the factors that affect consumer's intention to hire wedding planners. This reveals an important finding that wedding planners should focus on changing the perception of consumers towards "outsourcing of various wedding tasks" to wedding firms (Sharma and Sharma, 2015). However mediation effect of consumer's trust has also been studied. Since path of only three factors (perception, motivation and social pressure) towards trust were found significant, therefore mediation effect of only these factors was studied.

Effect size (F^2)

Effect size shows the intensity of independent variable's effect on a particular dependent variable. Larger the effect size, greater would be the intensity of independent variable to influence dependent variable. It is calculated as follows (Cohen, 1988):

$$F^2 = \frac{R^2 \text{ included} - R^2 \text{ excluded}}{1 - R^2 \text{ included}}$$

The effect size has been studied in two parts/ sets, where in the first set "intention" has been taken as dependent variable and in second set "trust" has been taken as dependent variable. Third column of Table 9 shows effect size of independent variables on dependent variable i.e. Intention. The results reveal that "Trust" factor affects the consumer's intention most than any other variable. However, effect size of "Attitude" is zero. This also proves that attitude towards wedding planners doesn't affect consumer's intention to hire wedding planner. Sixth column of Table 9 shows that "motivation" has greatest effect on consumer's trust than any other variable. Also, attitude does not have any effect on

consumer's trust. It can be clearly inferred from the results that wedding planning firms should focus on motivating the consumers by offering them economical and average wedding packages.

Table 9 Effect size (F^2)

<i>Factors</i>	<i>Intention: R^2 excluded</i>	<i>Effect size intention</i>	<i>Inference</i>	<i>Trust: R^2 excluded</i>	<i>Effect size trust</i>	<i>Inference</i>
Attitude	0.77	0.00	No effect	0.57	0.00	No effect
Motivation	0.75	0.05	Small to medium	0.46	0.20	Medium
Perception	0.76	0.02	Small to medium	0.53	0.08	Small to medium
Social Pressure	0.73	0.12	Small to medium	0.52	0.09	Small to medium
Trust	0.64	0.35	Medium to large	–	–	–

Source: Primary data.

Predictive relevance (Q^2)

Predictive relevance determines the accuracy of model i.e. whether the model is able to predict what it is expected to predict or not (Hair et al., 2016). It is calculated as follows:

$$Q^2 = 1 - \frac{SSE}{SSO}$$

where SSE= Sum of squared prediction errors; SSO= Sum of squared observations

The value of Q^2 should be greater than “0” for meeting the predictive relevance of model (Hair et al., 2016). However, a value closer to “1” indicates that the model is realistic and is free from errors. In Table 10 all the values are greater than zero; therefore model has good predictive relevance and is accurate. The results have assured that factors that were incorporated in the model are imperative to predict consumer behaviour in wedding industry.

Table 10 Cross-validity redundancy value

<i>Construct</i>	<i>SSO</i>	<i>SSE</i>	<i>1-SSE/SSO</i>
Intention	962	393	0.592
Trust	1443	796	0.449

Source: Primary data.

Mediation effect

Mediation effect is an effect where intervention of a third variable changes the relationship between dependent variable and independent variable (Wong, 2019). Before testing mediation effect it is important that there is significant relationship between independent variable and mediator. Since “Attitude” (independent) does not have any significant relationship with the mediator and dependent variable, therefore its mediation effect is not studied.

The mediation effect has been studied with the help of VAF value which is calculated by dividing indirect effect with total effect (see Table 11). If the value is below 0.20, then there is no mediation, if value is between 0.20 and 0.80, then mediation effect is partial and if value is above 0.80 then mediation effect is full (Hair et al., 2009). Table-11 shows that consumer trust acts as a partial mediator between dependent variable and independent variables. This also means that the intention of consumers to hire wedding planner is not solely dependent on trust, instead it is also dependent on many other factors like perception, motivation and social pressure.

Table 11 Mediation effect

<i>Path</i>	<i>Direct effect</i>	<i>a*</i>	<i>b*</i>	<i>Indirect effect (a*b)</i>	<i>Total effect</i>	<i>VAF</i>	<i>Mediation type</i>
Motivation→Intention	0.162	0.610	0.738	0.450	0.612	0.735	Partial
Perception→Intention	0.174	0.574	0.731	0.420	0.594	0.707	Partial
Social Pressure→Intention	0.283	0.582	0.669	0.389	0.672	0.579	Partial

Source: Primary data; Significance $p > 0.05$; “a”= independent variable→mediator and “b”= mediator→dependent variable*.

Multi-group analysis

There is no direct way to conduct multi-group analysis for categorical data in Smart PLS software. Therefore, IBM SPSS version 20.0 has been used to perform Tukey HSD test on categorical data. Tukey HSD test helps in knowing the differences between various categories of a particular factor/demographic. The results of Tukey HSD test on various demographics are as follows:

Age

Table 12 shows result of only those variables whose significance value was less than 0.05. Except for perception and attitude variable, all other variables have significant values i.e. $p < 0.05$. This means that there is difference in the level of motivation, trust, social influence and intention among consumers of different age categories. Tukey HSD test reveals the exact difference across various categories. Respondents of age category “36 yrs. and above” have greater trust (on wedding planners) and intention to hire wedding planners than other category respondents. The test also revealed that people exceeding the age of 36 years exerts more social pressure than lower aged individuals. The reason for this difference is generation gap and change in opinion of young individuals. The level of motivation was found higher among respondents of age category “36 yrs. and above” than other categories. Respondents of age category 18–21 yrs. were found to have lowest motivation, trust, social influence and intention to hire wedding planner. This is an alarming situation for wedding firms because they should start devising strategies to encourage and persuade young individuals as well.

Table 12 Tukey HSD for AGE category

<i>Dependent variable</i>	<i>I</i>	<i>J</i>	<i>Mean difference (I-J)</i>	<i>Std. error</i>	<i>Sig.</i>	<i>95% Confidence Interval</i>	
						<i>Lower bound</i>	<i>Upper bound</i>
Social	(26–35 yrs.)	(22–25 yrs.)	-.40328*	.094	.000	-.647	-.160
		(18–21 yrs.)	-.47206*	.125	.001	-.794	-.150
	(36 yrs. and above)	(22–25 yrs.)	-.38505*	.101	.001	-.646	-.124
		(18–21 yrs.)	-.45383*	.130	.003	-.790	-.118
	(22–25 yrs.)	(26–35 yrs.)	.40328*	.094	.000	.160	.647
		(36 yrs. and above)	.38505*	.101	.001	.124	.646
	(18–21 yrs.)	(26–35 yrs.)	.47206*	.125	.001	.150	.794
		(36 yrs. and above)	.45383*	.130	.003	.118	.790

Table 12 Tukey HSD for AGE category (continued)

<i>Dependent variable</i>	<i>I</i>	<i>J</i>	<i>Mean difference (I-J)</i>	<i>Std. error</i>	<i>Sig.</i>	<i>95% Confidence Interval</i>	
						<i>Lower bound</i>	<i>Upper bound</i>
Trust	(26–35 yrs.)	(22–25 yrs.)	–.30046*	.100	.015	–.558	–.043
		(18–21 yrs.)	–.55672*	.132	.000	–.897	–.216
	(36 yrs. and above)	(22–25 yrs.)	–.28812*	.107	.037	–.564	–.012
		(18–21 yrs.)	–.54438*	.138	.001	–.899	–.190
	(22–25 yrs.)	(26–35 yrs.)	.30046*	.100	.015	.043	.558
		(36 yrs. and above)	.28812*	.107	.037	.012	.564
	(18–21 yrs.)	(26–35 yrs.)	.55672*	.132	.000	.216	.897
		(36 yrs. and above)	.54438*	.138	.001	.190	.899
Intention	(26–35 yrs.)	(22–25 yrs.)	–.30417*	.117	.046	–.605	–.003
		(18–21 yrs.)	–.61499*	.154	.000	–1.013	–.217
	(36 yrs. and above)	(22–25 yrs.)	–.40955*	.125	.006	–.732	–.087
		(18–21 yrs.)	–.72036*	.161	.000	–1.135	–.306
	(22–25 yrs.)	(26–35 yrs.)	.30417*	.117	.046	.003	.605
		(36 yrs. and above)	.40955*	.125	.006	.087	.732
	(18–21 yrs.)	(26–35 yrs.)	.61499*	.154	.000	.217	1.013
		(36 yrs. and above)	.72036*	.161	.000	.306	1.135
Motivation	(26–35 yrs.)	(22–25 yrs.)	–.49667*	.118	.000	–.800	–.193
		(18–21 yrs.)	–.92237*	.156	.000	–1.324	–.521
	(36 yrs. and above)	(22–25 yrs.)	–.57649*	.126	.000	–.902	–.251
		(18–21 yrs.)	–1.00219*	.162	.000	–1.420	–.584
	(22–25 yrs.)	(26–35 yrs.)	.49667*	.118	.000	.193	.800
		(36 yrs. and above)	.57649*	.126	.000	.251	.902
	(18–21 yrs.)	(18–21 yrs.)	–.42570*	.160	.041	–.839	–.012
		(26–35 yrs.)	.92237*	.156	.000	.521	1.324
		(36 yrs. and above)	1.00219*	.162	.000	.584	1.420
		(22–25 yrs.)	.42570*	.160	.041	.012	.839

Source: Primary data; *. The mean difference is significant at the 0.05 level.

Table 13 presents summary of multi-group analysis. Since result for categories of education, occupation, income and gender were insignificant, therefore hypotheses H11, H12, H13 and H14 were accepted. However hypothesis H10 was not accepted because results were found to be significant for

different age categories.

Table 13 Summary of multi-group analysis

<i>Category</i>	<i>Result</i>	<i>Summary</i>
Age	Significant	There is difference in the level of motivation, trust, social influence and intention among consumers of different age categories. Respondents of age category “18–21” yrs. were found to have lowest motivation, trust, social influence and intention to hire wedding planner. Whereas, age category “36 yrs. and above” were found to have most positive approach towards these factors.
Education	Insignificant	Respondents from different educational background do not posses different view on perception, attitude, motivation, trust, social pressure and intention to hire wedding planner.
Occupation	Insignificant	Respondents belonging to service class, business class, unemployment class and retired class have no different view on perception, attitude, motivation, trust, social pressure and intention to hire wedding planner.
Income	Insignificant	Respondents from different income categories do not have different view on perception, attitude, motivation, trust, social pressure and intention to hire wedding planner.
Gender	Insignificant	Males and females do not have different view on perception, attitude, motivation, trust, social pressure and intention to hire wedding planner.

Source: Primary data

Hypotheses testing

Table 14 presents the summary of hypotheses, where six hypotheses were accepted (H03, H07, H11,, H12, H13 and H14) and eight hypotheses (H01, H02, H04, H05, H06, H08, H09 and H10) were not accepted. This research has revealed many important aspects related to consumer behaviour. On the basis of result, wedding firms can start devising unique strategy for different age segments.

Table 14 Hypotheses testing results

	<i>Hypotheses</i>	<i>Accepted/Rejected</i>
<i>H</i> ₀₁	There is no significant relationship between consumers’ trust and consumers’ intention to hire wedding planners.	Not Accepted
<i>H</i> ₀₂	There is no significant relationship between perception and consumers’ intention to hire wedding planners.	Not Accepted
<i>H</i> ₀₃	There is no significant relationship between attitude and consumers’ intention to hire wedding planners.	Accepted
<i>H</i> ₀₄	There is no significant relationship between motivation and consumers’ intention to hire wedding planners.	Not Accepted
<i>H</i> ₀₅	There is no significant relationship between social pressure and consumers’ intention to hire wedding planners.	Not Accepted
<i>H</i> ₀₆	Consumers trust doesn’t mediate the relationship between perception and consumers’ intention to hire wedding planners.	Not Accepted
<i>H</i> ₀₇	Consumers trust doesn’t mediate the relationship between attitude and consumers’ intention to hire wedding planners.	Accepted

Table 14 Hypotheses testing results (continued)

	<i>Hypotheses</i>	<i>Accepted/Rejected</i>
<i>H₀₈</i>	Consumers trust doesn't mediate the relationship between motivation and consumers' intention to hire wedding planners.	Not Accepted
<i>H₀₉</i>	Consumers trust doesn't mediate the relationship between social pressure and consumers' intention to hire wedding planners.	Not Accepted
<i>H₁₀</i>	There is no significant difference in perception, attitude, motivation, social pressure, trust and intention of consumers (towards wedding planning firms) belonging to different age categories.	Not Accepted
<i>H₁₁</i>	There is no significant difference in perception, attitude, motivation, social pressure, trust and intention of consumers (towards wedding planning firms) belonging to different occupation categories.	Accepted
<i>H₁₂</i>	There is no significant difference in perception, attitude, motivation, social pressure, trust and intention of consumers (towards wedding planning firms) belonging to different education categories.	Accepted
<i>H₁₃</i>	There is no significant difference in perception, attitude, motivation, social pressure, trust and intention of consumers (towards wedding planning firms) belonging to different income categories.	Accepted
<i>H₁₄</i>	There is no significant difference in perception, attitude, motivation, social pressure, trust and intention of consumers (towards wedding planning firms) belonging to different gender categories.	Accepted

Source: Primary data.

6 Findings

The aim of study was to understand the factors responsible for creating hiring intentions (related to wedding planners) among consumers. Total numbers of respondents were 481, out of which 202 were males and 279 were females. While evaluating the traits of a good wedding planner, it was found that consumers' desires wedding planner to be a good listener, courteous and practical. The most important service on which consumers did not want to compromise were related to catering and venue arrangements. Intention to hire wedding planner is a dependent variable in this study. It was found that 76.50% of variance was explained through five factors namely, perception, attitude, motivation, trust and social pressure. This can be also be interpreted that sufficient factors have been considered to interpret the intention of consumers towards hiring of wedding planners. The two relationships were found to be insignificant i.e. Attitude → Trust and Attitude → Intention. Therefore hypotheses H03, H07 were accepted and H01, H02, H04, H05, H06, H08, H09 were not accepted. The results reveal that "Trust" factor affects the consumer's intention more than any other variable does. However, it was found that attitude towards wedding planners doesn't affect consumer's intention to hire wedding planner. The predictive relevance of model was also checked and verified. While evaluating mediation effect, it was found that consumer's trust acts as a partial mediator between three independent variables (perception, motivation and social pressure) and one dependent variable.

While performing multi-group analysis for demographic categories, it was found that the results related to categories of occupation, education, income and gender were insignificant. However, significant differences were found across different age categories. Respondents of age category "36 yrs. and above" were found to have greater trust (on wedding planners) and intention to hire wedding planners than other category respondents. The tests also reveal that people exceeding the age of 36 years exerts more social

pressure than lower aged individuals. The level of motivation was found highest among respondents of age category “36 yrs. and above”. Respondents of age category 18–21 yrs. were found to have lowest motivation, trust, social influence and intention to hire wedding planner. Thus hypotheses H11, H12, H13 and H14 were accepted and H10 was not accepted.

7 Limitations

The research has certain limitations which would provide scope for further study. There are a few pitfalls that can be assessed in future:-

- Owing to the inability to reach various parts of the nation, respondents have been targeted from three cities only i.e. Delhi, Chandigarh, Ludhiana. Although the results may not be able to reach a generalisation stage, they have provided relevant and helpful information related to consumers.
- There is need to explore more factors responsible for instigating consumers to hire wedding planners. Since attitude factor showed an insignificant relationship with consumer’s intention, there may be chances that some other statements can better measure the construct.
- Apart from “consumer’s Trust”, there could have been any other mediator as well. With the help of Exploratory Factor Analysis (EFA) and more rigorous review of literature more mediators may be tested.
- There is need to understand the expectations of wedding planners as well i.e. understanding view point of wedding planners as well as consumers.

8 Conclusions

Wedding industry had been flourishing since ages, but its existence has now become prominent. Hiring wedding planners is a hassle free task. Some consumers are ready to host an event even if it is beyond their budget. Therefore, it becomes important to understand the expectations of consumers. In last minute rush, consumers/clients are ready to sacrifice their dreams and demands, but there is need to figure out actual expectations of consumers (Eppolito, 2019). The study has focused on main factors that interplay a crucial role in decision making of consumers while hiring a wedding planner. There is need to change the perception and build trust among consumers for sustenance of companies in the market. Wedding industry is flushed with numerous suppliers, vendors and planners which make it a more complex industry.

There is no replacement for a one time memory of tying a knot with the partner. Consumers are afraid because they know that even basic things would be scrutinised by the guests in a wedding. Thus, it is important for consumers also to express truly about their feelings and expectations. The results have shown that constant social pressure is affecting the intention of people to hire professionals for wedding arrangements. This also reflects a bad face of society where many people are indirectly forced to go beyond their affordability to please the society. Thus, wedding planners holds a bigger responsibility of devising strategies that are profitable for them but could also help consumers in dealing with social pressure. The research has provided a direction for wedding planners, where the consumers’ trust can be won by changing their perception. Consumers shall be motivated to hire wedding planners through offerings that could meet their budget and minimise impact of social pressure over them. Wedding planners should think about innovations to replace expensive services with cost effective services.

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How market orientation enhances business performance through value creation: Iranian commercial banks

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ABSTRACT

The main purpose of this study firstly is to investigate the relation between market orientations and business performance in the Iranian context and secondly, to propose an indigenous model that explains the enhancement of business performance through market-oriented value creation. Findings suggest that in Iran, this relation is significant but is neglected and requires more attention. The methodology consists of two phases, model developing and model evaluation, and both are based on the views and comments of academic scholars and top managers. The findings confirm the mediative role of value creation both directly and indirectly. This study is the first study conducted in Iranian context developing a model representing the relation of mentioned factors in the Iranian banking sector, and its findings are based on the reality of this industry.

Keywords: market orientation; value creation; financial services; banking industry; emerging markets.

1 Introduction

The high intensity of competitive rivalry has dramatically affected the banking industry and scenery in recent years. In today's competitive marketplace, few companies can claim to offer a product or service so unique that it cannot be offered by other competitors. Additionally, customers expect seamless services and easily change their service provider in pursuit of better returns and services. So inevitably banks are seeking for retaining solutions that satisfy more-demanding less-loyal customers through superior performance and service quality. On the other hand, marketing scholars and practitioners have accepted the concept of market orientation as a major strategic shift to achieve success in a competitive environment. Unlike the past, nowadays high performance isn't just a winning card for service firms but it's essential for their survival and the key to success is a market and customer-oriented competitiveness. The competitiveness of the financial services in such an environment is the focal point of this study. Different variables might contribute to the bank's competitiveness, variables such as national and international macro-environment, micro-environment, business context, and organisational characteristics, but market orientation is an outstanding facet that influences business competitiveness. In this study, we intend to investigate the relation between market orientation as a success factor and business performance as the desired outcome. To enrich the findings and considering the direct and indirect relationship between the two concepts, both aspects are investigated.

Market orientation is a context-specific subject and findings in other contexts are not completely generalisable to other countries and areas. However, the process in which market orientation results in enhanced performance can be studied in more detail with different approaches in different contexts (Kohli and Jaworski, 1990; Webster, 1993).

Most studies addressing this subject are mainly in developed countries (see, e.g., Lee and Tsai, 2005; Keskin, 2006 and many more). Considering the lack of related empirical studies in the Iranian banking industry, the approach used in this study is more to develop an indigenous model.

The findings on the outcome of market orientation in developed and developing countries seem to be mixed (Narver and Slater, 1990; Jaworski and Kohli, 1993; Perry and Shao, 2002; Dwairi et al., 2007).

In other studies conducted in a similar context to Iran, the findings suggest that competitors' market orientation has the largest impacts on banks' performance through integration and coordination (Abu Dalbooh, 2014). Furthermore, Zaman et al. (2012) point out that in a similar context to Iran internal marketing would lead to market orientation and enhances performance through organisational commitment. Therefore, contextuality is a justification for this study.

Studies on the effects of market orientation and business performance are not unprecedented in Iran. But their limited and general findings justify the necessity of this study. Furthermore, none of these studies provides an indigenous model. For example, Hassangholipour et al. (2012) point out that internal marketing and employing market orientation is neglected among Iranian financial institution (case study Melat bank in Tehran). In another study, Kheiri and Roshani (2013) studied the policy-making and business performance through marketing and market orientation (case study: Meli bank). The findings suggest that market orientation affects business performance through entrepreneurship.

Rezaee (2011), believes that the financial service industry is rapidly changing due to four main factors: 1) Economic condition, 2) Legal conditions, 3) Competitive condition, 4) Advanced technology. With the victory of the Islamic revolution in Iran (1979), all the Iranian private banks and financial firms were taken by the new government. The main consequence of this single governance was indifference towards service and products. However since 1997, again the Central Bank of Iran (CBI) announced its approval by establishing private banks. While the technological context of the financial industry was advancing incredibly, to survive, private banks and financial firms had no choice but to create competitive advantages by understanding their market and customer needs. Gradually single service entities in Iran are replaced by Full Packaged Service Holdings (FPSH) and this diversification is depending market orientation (Sepandarand et al., 2016).

To summarise, this study investigates and evaluates competitiveness, market orientation and the relation between them with a new approach to the concept in Iranian business context and also tries to fill the gap and lack of empirical studies in Iran by developing a model.

2 Literature review

2.1 Market orientation

In order to guarantee future competitiveness, financial services experience an increasing pressure to be more market-oriented. A critical part of any organisational marketing effort is to uncover how firms can develop and sustain a competitive advantage. Market orientation is an intangible organisational asset that is widely and globally proven to be a source of a competitive advantage that positively influences business performance (Narver and Slater, 1990; Jaworski and Kohli, 1993; Deshpande et al., 1993). Market orientation, introduced by Narver and Slater (1990), is organisation-wide generation of market intelligence or information pertaining to current and future customer needs, dissemination of the information across departments, and organisationwide responsiveness to this information (Kohli and Jaworski, 1990) and formulating and implementation of strategies designed to respond to market accordingly. Hence, market orientation enables firms to deliver superior products and services to both internal and external customers. Therefore, market orientation intends to understand and capitalise exogenous environmental factors by identifying and responding to customers' need which makes market orientation an influential strategy in developing and sustaining competitive advantage through superior performance (Narver and Slater, 1990; Kohli and Jaworski, 1993; Kumar et al., 2011).

Concerning the early debates about its philosophy, whether it is an organisational behaviour to exhibit or a process to follow, market orientation separated into two main schools, market orientation as a part of organisational culture and behaviour (Narver and Slater, 1990) and as processes (Kohli and Jaworski,

1990). The latter view argues that market orientation might be increased or decreased by internal organisational factors (Jaworski and Kohli, 1993). Since in this study value creations are considered a mediative factor through which market orientation can enhance business performance, the latter view is employed. According to Narver and Slater, market orientation has three behavioural components and two decision criteria: customer orientation, competitor orientation, and inter-functional coordination – a long term focus and a profit objective (Narver and Slater, 1990).

The role of market orientation applies to not only the external environment of the organization but also the internal environment and culture of an organisation (Lings, 2004). On the other hand, market orientation is a crucial factor in international and domestic markets (Cadogan and Diamatopoulos, 1995; Deshpande et al., 1993; GruberMuecke and Hofer, 2015). Concerning two main schools of market orientation, it is tried to choose factors comprehensively and encompassing.

Although the majority of early studies on market orientation and performance are set in the manufacturing sectors (McNaughton et al., 2002), the concept gradually gained popularity in the service domain.

Early prominent examples of market orientation consideration in the services sector include Greenley and Matcham (1986), and Qureshi (1993). Aside from early literature, there is growing string of research in service sector providing evidence from service sector, for example in franchising (Lee et al., 2015), in innovation in banking (Mahmoud, et al., 2016), market orientation, value and performance in hotel industry (PascualFernández et al., 2016). Interestingly, the results are two opposite poles, some scholars consider these effects to be positive (Deshpande and Farley, 1998; Matsuno et al., 2000; Slater and Narver, 2000). On the contrary, some scholars assert that these effects are negative or non-significant. For instance, researchers with roots in resource-based approaches (Grant, 1991, 1995) suggest that obtaining and sustaining a superior performance is an inward look resulting in focusing on internal capabilities rather than an outward look on customers. Although these negative findings are usually results of study specific reasons for the “anomalous” findings (McNaughton et al., 2002; Caruana et al., 1999). However, the relation between these two concepts is undeniable and needs a more in-depth investigation.

2.2 Market orientation and business performance

Although there is still an on-going debate on the dimensions of the market orientation construct (Lafferty and Hult, 2001), the relation between market orientation business performances is universally accepted (Sheth and Sisodia, 1999). Both schools of market orientation have confirmed the positive effect of market orientation on business performance. Narver and Slater (1990) argued that there is an association between market orientation and organisations’ profitability. Also, Jaworski and Kohli (1993) examined the subject more broadly and pointed out that market orientation affects overall success in the market place.

Chang et al. (1999) based on the findings of an extensive empirical study, argue that in services such as financial banking and healthcare sector in which a mutual interaction occurs, market orientation influences performance significantly. Additional findings from the different string of research also confirm this argument, for example, recent findings from cultural and behavioural studies (Morgan and Vorhies, 2018), and Japanese manufacturers firms (Takata, 2016) are in line with this argument.

In market-oriented growth, the role of intermediate and mediative variables is key. Market orientation approach provides a vehicle for a strategy that creates value for customers and consequently a sustainable competitive advantage which leads to superior performance (Jaworski and Kohli, 1993, Deshpande et al., 1993). However, this role of value creation is unexplained or absent in much of the market orientation literature. There is evidence from the market-oriented business culture on the

mediative role of factors between market orientation and business performance (e.g., Chang and Chen, 1998). Considering that there are several other potential variables unaccounted for, the effect of market orientation on business performance might be investigated more. This emphasises the importance of identification of mediative variables. Value creation is not a new concept.

2.3 Value creation

Considering the outbound nature of financial services, stakeholders' value-based approach is chosen as the mediative factor. In this approach, stakeholders are those individuals or groups which influence the organisation or are under influence by the organisation (Miller and Lewis, 1991). Grewal et al. (1998) argue that perceived value is separated into two categories: acquisition value and transaction value. In other studies, different scholars have studied the concept of the value and came up with several multidimensional approaches. For example, De Ruyter et al. (1997) formulated a comprehensive approach and categorised perceived value into two main categories: cognitive response and affective components.

Sweeney and Soutar (2001) asserted that value consists of three dimensions: functional value, social value, and emotional value. In another study, Sanchez et al. (2006) proposed six dimensions of perceived value consisting of a dimension of function value: installations, professionalism, quality and price; and an affective dimension: emotional value and social value.

To gain benefits from long-term loyalty and satisfaction of customers, commercial banks should focus on establishing and maintaining long-term relationships with their customers. Major changes in business models, fierce competition among financial organisations are among the most influential factors that forced Iranian banks to follow the market orientation. Reviewing financial banking literature indicates that financial banks should create and propose value in three areas: stakeholders' value, employees' value and value perceived by customers (Jacoby and Chestnut, 1978). Woodruff (1997) points out that creation and delivering value is the next source for competitive advantage for financial banks. In recent years Porter and Kramer (2019) noted that value creation is the only way to survive.

3 Methodology and research design

The methodology consists of two phases. Phase one is modelling in which a conceptual model is developed and in the second phase, the developed model is evaluated by experts. Although during these phases, the evaluation of enhancement of customers' satisfaction was based on the analysis of the respected banks, bank managers used their monthly documents and evaluation to respond to the questions asked during modelling.

3.1 Phase 1: Conceptual modelling

Previously developed models in market orientation mostly have four main streams: dimensional models, models investigating antecedents and precedents of market orientation, models examining the relationship between market orientation and business performance and models of market orientation in the service context. After studying several models with different approaches, in order to come up with the elements of the model and narrowing down the factors, factors were classified by the causality: factors influencing market orientation and factors being influenced by market orientation.

Some of factors influencing market orientation are governmental policy and legislation (Hooley et al., 2001), technology (Olavarrieta and Friedman, 1999), economy (Pels, 2002; Perry and Shao, 2002), customers (almost all studies), competitors (Dawes, 2000; Harrison-Walker, 2001), suppliers (Egan,

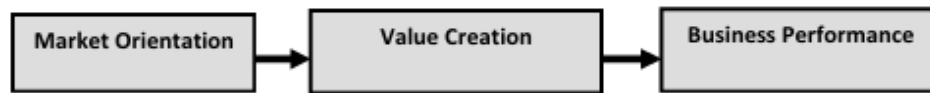
2001; Hernandez-Espalladora and ArcasLariob, 2003; Esteban et al., 2002), strategy (Olavarrieta and Friedmann, 1999; Harris and Ogbona, 2000; Kasper, 2002), culture (McCormack, 1999; Homburg and Pflesser, 2000; Trueman, 2004), employees (Harris, 1998). Also, factors being influenced by market orientation are customer loyalty (Lamb et al., 2010); customer satisfaction, financial performance, employee satisfaction (Gray, 1998) and long term development (Ruekert, 1992).

To summarise, these factors can be placed into five categories: precedents, market orientation, antecedents (mediator variables and performance), variables influencing the relation between market orientation and performance and finally variables parallel with market orientation.

Based on previous researches, the conceptual model is based on the theoretical relation between market orientation and business performance which is considered significant. This relation has been the focal point of many studies directly and indirectly.

In this study, the indirect factor approach is studied through value creation. The questionnaire was designed to examine the factors discussed in the literature to identify each component's factors based on the comments and views of experts and managers.

Figure 1 Main components of proposed model without their respective factors



Financial organisations such as commercial banks that provide services for customers do not have a tangible product, therefore, must seek differentiation through value creation. In this model, it is tried to present a process in which market orientation approach through value creation can increase business performance.

In this part, the mixed method is used to create a model based on previously discussed literature to illustrate the relations between market orientation and business performance through value creation in commercial banks. It is tried to add several new components to existing models to contribute to the existing literature.

Considering data collection this study is a descriptive study using Structural Equation Modelling (SEM) techniques. After developing the conceptual model, the totality of the model was evaluated by the open-ended question and its components were questioned by close-ended questions. The expert panel was chosen among academic experts and practitioners are commercial and financial banks in Iran. Based on the results, the model was modified

3.2 Population and sample

The data collection was a two-phase process that was gathered from two populations. Most of the population was scholars, bank managers and high levels managers with a background in banking. Scholars were selected from different universities such as University of Tehran, Allame Tabatabae'i University, Chamran University, and other academic institutes. About 100 eligible respondents were identified and since the population is limited, to measure the sample, limited population formula was calculated as follows:

$$n = \frac{NZ_{\alpha/2}^2 pq}{\epsilon^2 (N-1) + Z_{\alpha/2}^2 pq} \quad n = \frac{100 \times 1.96^2 \times 0.5 \times 0.5}{0.065^2 \times 99 + 1.96^2 \times 0.5 \times 0.5} \cong 70$$

Based on the calculation, the sample consists of 70 persons. Therefore, convenience sampling was used to gather the information. Eventually, 45 questionnaires were acceptable and were used. 30 correspondents were academic scholars and 15 were executive managers of banks.

3.3 Data collection

Selected experts were scattered geographically and due to the number of questions, questionnaire was selected as the tool for data gathering. Academic experts questionnaire included two parts; open-ended questions and Likert 5 closed questions while executive managers' questionnaire only employed closed questions. Questionnaires were disseminated by e-mail, fax and in some cases personally. 40% of the questionnaires were disseminated by e-mail. After three follow-ups and on the due date, 45 questionnaires were completed by respondents.

In order to evaluate the reliability of questionnaire, Cronbach's alpha test was used and the results show a satisfactory reliability. Alpha for experts' questionnaire is 0.9823. The questionnaire presented to experts consisted of 48 in total. 30 questions were allocated to market orientation, 14 questions to value creation and four questions for performance. Also these results were satisfactory, alpha was 0.943. The results for each section were 0.935, 0.807 and 0.782, respectively.

3.4 Data analysis

The construct of each questionnaire is shown in Table 1. Also the methods and programs used to analyse the gathered data are presented in the Table 2.

Table 1 Construct of questionnaire

Questionnaire	Question types	Method	Software
Experts	Open questions	Content analysis (Shannon Entropy)	Excel
	Closed questions	<ul style="list-style-type: none"> • Binominal test • Friedman test 	SPSS
Executive managers	Closed questions	<ul style="list-style-type: none"> • confirmatory and exploratory factor analysis, 1st and 2nd order • Path analysis • ANOVA test, One sample t-test 	Excel SPSS LISREL

The main questions of phase one regarding of the proposed model are summarised in Table 2. These questioned are based on the findings of other related research. The purpose of this phase is to answer these questions based on the results of analyses and provide a revised model with factors for further analysis.

Table 2 Methods and programs used to analyse the data

software	method	Main question
Relation between market orientation and Business Performance of Iranian financial banks	1st and 2nd order confirmatory factor analysis	LISREL
The indirect relation between market orientation and Business Performance is more significant		
Business Performance includes factors such as business performance towards market, business performance towards customers, business performance towards competitors, internal business performance	1st and 2nd order exploratory factor analysis	SPSS
Market orientation consists of factors such as intelligent culture and behaviour, strategic response and initiatives coordinated systems and even controls		
Value creation is a mediative factor between market orientation and business performance	Path analysis	SPSS

Based on the findings of Shannon entropy test, experts have prioritised the factors of proposed model as follows:

Table 3 Prioritisation of factors of proposed model

<i>component</i>	<i>Rank</i>	<i>Factor</i>	<i>Rank</i>
Business performance	1	Organisation's internal performance	1
		Organisation's competitiveness	2
		Performance towards market	3
		Performance towards customer	4
Market orientation	2	Strategic response and initiatives	1
		Intelligent response and behaviour	2
		Coordinated departments and systems	3
Value creation	3	Organisation's internal value	1
		Organisation's value perceived by market	2
		Organisation's value perceived by customer	3
		Perceived competitive values	4

Also experts, based on binominal test and Friedman test, prioritised the independent and relative importance of the factors:

Table 4 Independent and relative importance of model's components and factors

<i>Component</i>	<i>Independent Importance</i>	<i>Relative Importance</i>	<i>Factor</i>	<i>Independent Importance</i>	<i>Relative Importance</i>
Market orientation	Yes	The same	Strategic response and initiatives	Yes	1
			Intelligent response and behaviour	Yes	2
			Coordinated departments and systems	Yes	3
Value creation	Yes	The same	Organisation's internal value	Yes	1
			Organisation's value perceived by market	Yes	2
			Organisation's value perceived by customer	Yes	3
			Perceived competitive values	yes	4
Business performance	Yes	The same	Organisation's internal performance	Yes	1
			Organisation's competitiveness	yes	2
			Performance towards market	Yes	3
			Performance towards customer	yes	4

3.5 Market orientation factor analysis

1 First order confirmatory factor analysis: the goodness of fit indices are not satisfactory ($\chi^2/DF=3.81$, $RMSEA>0.08$) and suggest that this component needs modification. Also the results show that all the parameters are significant. Goodness of fit indices after modification are acceptable ($\chi^2/DF<3$, $RMSEA<0.08$) and satisfactory.

2 Market orientation construct's inter-correlation: as expected there is a positive significant correlation between market orientation's factors. The highest correlation among factors is between implementation and control of strategic response and coordinated departments and systems.

3 Second order confirmatory factor analysis: analysing standard estimation of market orientations suggests that goodness of fit indices are below the mediocre ($\chi^2/DF=4.01$, $RMSEA>0.08$) and needs to be modified. The results for after modification are acceptable ($\chi^2/DF<3$, $RMSEA<0.065$).

3.6 Value creation factor analysis

1 First order confirmatory factor analysis: here again the construct needs modification. After modification goodness of fit indices are satisfactory ($\chi^2/DF<3$, $RMSEA<0.08$).

2 Value creation construct's inter-correlation: the relation between value creation construct is positive and significant. The highest correlation is between organisational internal value and value and perceived competitive values and the least correlation is between perceived competitive values and value

perceived by market.

3 Second order confirmatory factor analysis: the results for modified construct are as follows χ^2/DF is greater than 3 and RMSEA is lesser than or equal to 0.08. Among the factor explaining value creation construct, organisational internal value is the most significant (0.98).

3.7 Business performance factor analysis

1 First order confirmatory factor analysis (financial and non-financial): goodness of fit indices are acceptable ($\chi^2/DF < 3$, RMSEA < 0.08). There is correlation between financial and non-financial factors (0.39).

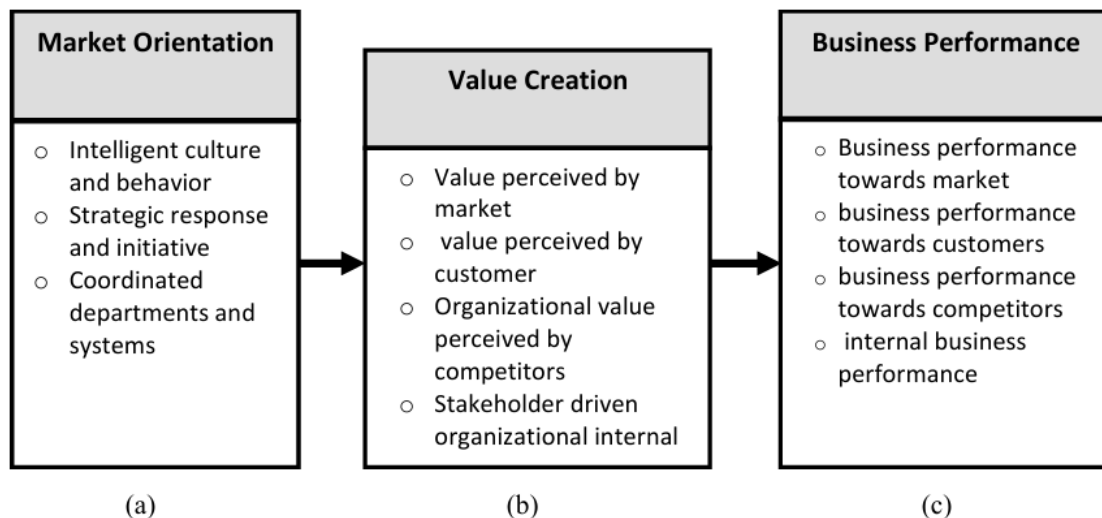
2 Second order confirmatory factor analysis: the indices are satisfactory and among the factors explaining the construct, financial performance is the most significant (0.67).

3.8 Findings of phase 1

After analysing the result and based on findings, the model was modified. Experts' comments on the proposed model and factors prioritised by them, made some minor changes in the model. The major assumptions of this paper were approved by the experts.

- There is a significant relation between market orientation and business performance of Iranian financial banks.
- The indirect relation between market orientation and business performance is more significant and influential rather than direct relation.
- Value creation is a mediative factor between market orientation and business performance.

Figure 2 Revised model based on the findings of phase one



Path analysis was done to assess the quality of relation between market orientation and business performance. Findings are as follow:

1 The direct effects of market orientation on business performance: The results of the analysis of the first path suggest that market orientation effect on business performance is moderately low (path coefficient 0.28) while the coefficient between market orientation and value creation is 0.87. Additionally, the coefficient between value creation and business performance is 0.60.

2 The indirect effects of market orientation on business performance (through value creation): The results of second path analysis indicate that market orientation significantly influences on value creation (path coefficient 0.90) and consequently value creation has a high influence on business performance (0.87). Also, the indirect effect of market orientation on business performance is significant (0.78). The

goodness of fit indices of the latter model is also more satisfactory and the mediative role of value creation in this model is confirmed.

The model developed in this phase is an eclectic model that identifies the factors of market orientation; value creation and business performance illustrate the quality of relation between these components. The model was evaluated by experts, both academic and executive; some modifications improved the model. The modified model of phase one is the basis of the second phase in which the modified model is investigated in more detail.

3.9 Findings of phase 2

The conceptual model developed in the first phase of this paper represents the relation between market orientation and business performance in Iran. The aim of the second phase is to evaluate the developed model for final confirmation by the experts. In terms of data collection, this study is exploratory and descriptive using correlation. The developed model was again presented to the same experts of the previous phase and was analysed in a field survey form similar to that of phase one. The questionnaire consisted of two sections, open questions, and closed questions. First, the model was represented to the experts and their comments on the model were collected through open-end questions. In the second section of the questionnaire, the importance of components and factors were investigated. Collected data were analysed using content analysis (entropy test), binominal test and Friedman test.

Binominal hypotheses (independent importance of components and variables) are as follows:

- Null hypothesis: component: component is not important $H_0 : P < 60\%$
- Alternative hypothesis: component is important $H_1 : P > 60\%$

Friedman test hypotheses (relative importance of components and variables) are as follows:

- Null hypothesis: component: components are of the same importance
- Alternative hypothesis: components are not of the same importance

3.10 Findings of open end questionnaire

In the open questionnaire, experts were asked about the conceptual model, components of the model and their relations. Based on the content analysis method, answers can be classified in four different areas and summarised as follows:

1 General comments: these comments are mostly on the totality and generalisation of the model. Experts approved the overall model generally and asserted that the organisation's value for other stakeholders such as shareholders and the performance of other stakeholders such as shareholders should be taken into account.

2 Comments on market orientation or first component of the model: On this component, it was mentioned that since some theories employ cultural views and some managerial views. Therefore, the mixed approach was considered. Also, it was necessary to differentiate between market orientation as an attitude (cultural approach), as a behaviour (behavioural approach) and as an organisational response. Other comments are summarised as:

- Intelligent behaviour: there is an overlap between market intelligence and customer intelligence , creation and disseminate of intelligence is the same coordinated departments and systems, in market orientation, intelligent behaviour and culture are two different concepts, instead of intelligent culture and behaviour, adaptive behaviour and culture (reflexive) toward environment must be employed.
- Strategic response and initiative: Strategic thinking is better than strategic planning, using strategic analysis instead of identification of strategic response prerequisites.
- Coordinated systems and departments: they pointed out that this concept is vague and needs more clarification.

3 Comments on value creation, the second component of the model: Experts asserted that value creation should be considered as an outcome of the model and its components must be reduced. Another point is in that this model value creation assumed the result of market orientation which is not always true; in some cases production orientation creates value. On model value perceived by the market, experts believed that it is better to investigate value perceived by distribution channel alongside other stakeholders' value perceived by the government. They also defined perceived organisational internal value as those values perceived by shareholders; on this component, they also added that the concept of organisational internal value is vague and ambiguous.

4 Comments on competitiveness or business performance: The main points mentioned by experts are as follows: the direct effect of market orientation on business performance, the mutual effects of components, differentiation of intelligent culture and behaviour, disambiguation of coordinated systems and departments, disambiguation of business internal value and finally disambiguation of bank's internal performance.

Concerning the content analysis approach, the next step is to investigate the comments. The main components of the proposed model are used to investigate the comments. Data are analysed using Shannon entropy technique and the results are presented in Table 5.

Table 5 The results of Shannon entropy for three main components of the model

<i>Analyticals</i> <i>Variables</i>	<i>Market orientation</i>			<i>Value creation</i>			<i>Performance</i>		
	<i>Raw data</i>	<i>Norm data</i>	<i>coefficient</i>	<i>Raw data</i>	<i>Norm data</i>	<i>coefficient</i>	<i>Raw data</i>	<i>Norm data</i>	<i>coefficient</i>
Total	14	1		9	1		12	1	
Uncertainty coefficient E_j			0.642			0.632			0.662
Importance coefficient W_j			0.183			0.181			0.189
Ranking			2			3			1
Number of collected data	25								

The Shannon entropy results for each component was analysed, as illustrated in Table 6, experts prioritise main components as presented:

Table 6 Main components prioritised

<i>component</i>	<i>variable</i>	<i>Ranking</i>	<i>Number of collected data</i>
Value creation component	Value perceived by market	2	4
	value perceived by customer	3	
	Competitive perceived value	4	
	Organisation's internal value	1	
Performance	Business performance towards markets	3	7
	Business performance towards customers	4	
	Competitive business performance	2	
	business internal performance	1	
Market orientation	Intelligent behaviour and culture	2	8
	Strategic initiative and response	1	
	Coordinated systems and departments	3	

For the last component of the proposed model, experts ranked the factors accordingly: business internal performance, competitive business performance, business performance toward customers and towards market.

3.11 Findings on components and factors

Considering the nature of the second section's questions which are closed questions, in order to analyse the data, binominal test and Friedman test were used to evaluate respectively the independent and relative importance of the components and factors of the proposed model. These findings are presented in Table 7.

Table 7 Results on the main components of the model

<i>Components (variable)</i>	<i>Binominal test independent importance</i>		<i>Friedman test relative importance</i>	
	<i>important</i>	<i>Not important</i>	<i>Same importance</i>	<i>Not the same importance</i>
Market orientation	✓		✓	
Value creation	✓		✓	
Business performance	✓		✓	

With the confidence level of 99%, experts believe that market orientation, value creation and business performance are important significantly. Also these three components are of the same importance. All the factors of the model, with the confidence level of 99%, are all important. The relative importance of mentioned factors is not the same and the ranking is presented in the tables.

Table 8 Results on model's factors

<i>Components Factors (variable)</i>		<i>Binominal test independent importance</i>		<i>Friedman test relative importance</i>	
		<i>important</i>	<i>Not important</i>	<i>Same importance</i>	<i>Not the same importance</i>
Business performance	Performance towards market	✓			2
	Performance towards customer	✓			1
	Organisation's competitiveness	✓			3
	Organisation's internal performance	✓			4
Value creation	Value perceived by market	✓			2
	value perceived by customer	✓			1
	Value perceived by competitors	✓			3
	Internal value	✓			4
Market orientation	Intelligent behaviour and culture	✓			3
	Strategic response and initiative	✓			1
	Coordinated systems and departments	✓			2

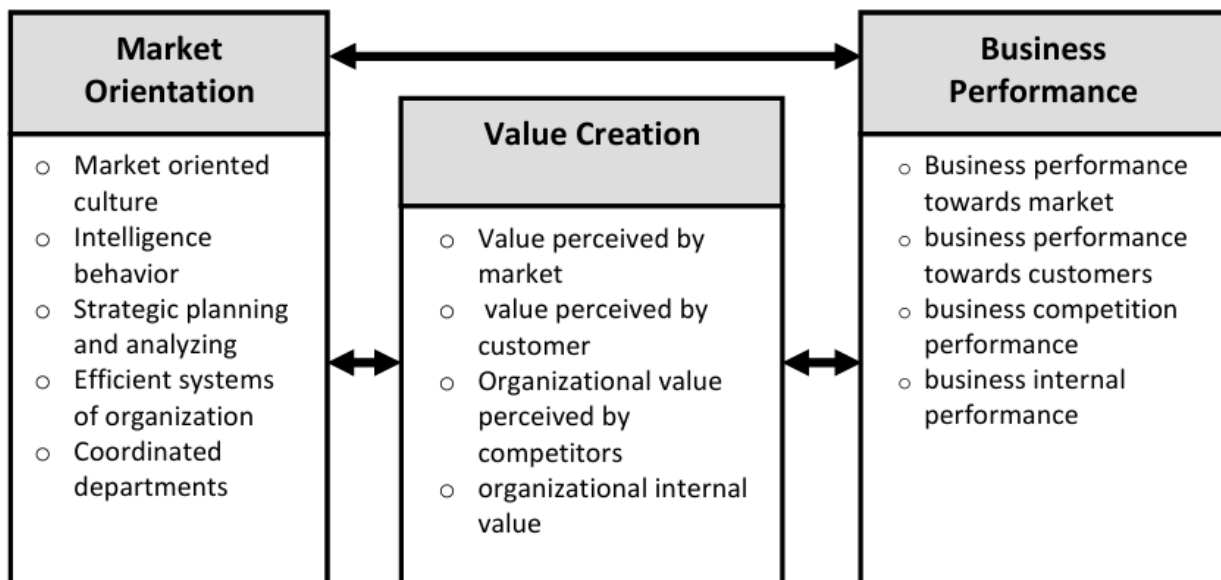
4 Findings and discussion

The objective of this study is to explore the role of market orientation business performance in financial services through value creation as a mediative variable and competitive strategy. We empirically provide evidence that market orientation and value creation are partly related, which in part enhances business performance. The aim of this study was twofold: first to show the relation between market orientation, value creation, and business performance. Second, to examine these relations and develop a model.

Although the importance of market orientation is widely accepted, in many domains it is often regarded as an operational concern rather a strategic issue to gain performance superiority. Another implication for the manager is that value creation plays a mediative role in the relation between market orientation and business performance. Baron and Kenny (1986) argue that to prove a mediating relation, for criteria must be met: 1) the independent variable is significant predictor of outcome variable, 2) the independent variable is significant predictor of mediator, 3) the mediator is a significant predictor of the outcome and 4) the direct relation of independent variable and outcome variable becomes significantly smaller with the addition of the mediator when compared to the direct relation of the independent variable to outcome variable without the mediator. This study proves that all these criteria are met and thus making value creation a mediative factor between market orientation and business performance.

The main objective of this study was to develop a model of market orientation and business performance in the Iranian context. Considering the literature on the subject and previous models, a conceptual model was developed and experts' comments on the model were sought. The totality of the model was approved by the scholars of related fields. Based on banking experts' comments on the model, some revision was pointed out including taking into account the direct effect of market orientation on business performance, the mutual effects of components, differentiation between intelligent culture and behaviour and disambiguation of coordinated systems and departments, internal value of business and internal performance of the bank. The revised model is presented in Figure 3.

Figure 3 The final model of the study



The article developed a model that investigated the effects of market orientation on business performance. The model tries to shed some light on this effect by making clear the process in which value creation strategies influences business performances. The study tries to present a positive empirical relation between market orientation and business performance through value creation.

The model highlights that the value creation benefits the organisation directly and indirectly. First, value creation enhances customer satisfaction through stakeholders driven strategies. The assessment of enhance in satisfaction is based on periodical assessment and evaluation carried out by the bank. Second, it increases business performances. Furthermore, the full implementation of the presented model as a strategic framework requires an inbound look in organisations since in the market orientation component most of the factors are internal. Furthermore, an inward-looking approach might be a good source value for outside shareholders.

4.1 Managerial implications

The findings of this study provide several important implications for managers. We noted that employing a market-oriented approach in organisation combined with a value creation perspective both are essential in gaining a superior performance. This is in line with those findings of Jaworski and Kohli (1993).

The managerial implications for bank management are when developing new services or modifying the current one, managers must put customers at the centre of their activities and efforts. It was proved that bank superior performance is determined by the degree of market orientation. Also, findings encourage the manager to employ a proactive approach to the market instead of a reactive which emphasises on market orientation and results in market-oriented value creation.

Based on the findings of this study, managers must establish strategies that facilitated value creation through market orientation and develop structures and systems that can assist banks to put value creation at the core of every effort.

4.2 Contribution, Limitation and direction for further researches

Although this study is empirical, the proposed model has strong theoretical support and background, by providing an indigenous model. To this extent, this study contributes to the growing body of knowledge in service management. The proposed model extends current understanding of the role of market orientation in financial services. The model also provides direction for financial managers and practitioners in terms of orienting their firms to a value-driven organisation and gaining a competitive advantage in the market.

The results of this study should be interpreted within its limitations. The main limitation of this study is potential bias in the sample. Also, the sample size might limit the results and findings. Furthermore, these limitations should be kept in mind for further research. Also, another limitation is that this study was self-administrated via emails. Interviews and personal meetings may provide more adequate and accurate information on the subject.

Despite all these limitations and shortcomings, this study tries to develop a model of market orientation in the financial banking industry which enhances our understandings of marketing of financial services. It can be concluded that by doing so this study adds to the literature of market orientation by providing empirical evidence. The manager also must align an internal view on value creation and market orientation with an outside view and nurture the organisational culture on these subjects.

Additional research in different countries and fields might be insightful on the subject. Researchers may employ this model and investigate it in other areas. Future studies might expand the outcome by including more exogenous variables such as strategic marketing. Finally, to overcome the limitations, sample size and data collection methods should be improved to develop a more comprehensive model.

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Are SHGs catalysts for rural empowerment? Impact assessment of Stree Shakti interventions in India

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ABSTRACT

Self-Help Group (SHG) is a crucial initiative to enable inclusion with multiple aims like access to microcredit, enabling income generation, savings and thereby eventually empowering the poor. This study attempts to evaluate if SHGs can be a change agent influencing women's empowerment. Findings revealed that there is an increase in the average income, and savings of SHG members. Microfinance related loan augment was found to be causing a significant difference in their empowerment level. Social and legal awareness caused a considerable impact on the social empowerment of members and better access to credit facilities has the significant impact on their economic empowerment followed by access to resources and promotional assistance. While study for longer term effect is desirable, even in the short term the program helped to improve the consumption and income generation. SHG program could well be the catalyst to achieve inclusive growth. The study offers important policy suggestions.

Keywords: SHG; self-help group; women empowerment; financial inclusion; income generation; microcredit and micro savings; rural women; microfinance;

1 Introduction

Indian economy is recognised to be one of the fastest-growing economies in the world. Indian economic development lies in the prosperity of its villages as the hinterlands in India consist of about 650,000 villages as 68.84% of its population lives there (Census of India, 2011). However, a significant proportion of its villages do not have a banking outlet to boast of, leaving swathes of the rural populace in financial exclusion. Microfinance initiative has been instrumental in achieving inclusive growth for many economies around the world including India per se. Financial inclusion is a novel exemplary model for economic growth which assumes an essential role in mitigating poverty level. The marginalised section of the society is commonly not covered under the formal financial framework owing to the high cost associated with small scale financial services. Inaccessibility to formal financial services and the excessive terms of informal credit for the marginalised section of the society creates a robust need and generous scope for cost-effective approaches to serve the financial needs of the poor households. In a developing country like India, it becomes paramount to cater to the financial demands of poor households; this could make the economy less vulnerable. As a step towards bringing financially excluded sections of the society under a formal financial system, National Bank for Agriculture & Rural Development (NABARD) as an official body-initiated people friendly scheme of organising them in Self-Help Groups and linking such SHGs with banks, in the year 1992. The main aim of this program is to augment the resources to deprived section by facilitating financial access through the formal financial channel. Shri Arun Jaitley, former Finance Minister in his address mentioned that initiative of NABARD led SHG, has reached the milestone of 25 years' timeline. The program was officially launched in the year 1992, with a target of linking 500 SHG in a year and has now transformed into the world's largest microfinance program. The domain of SHG consists of 85.4% (NABARD Report) of the women's groups and is the mainstay program for the empowerment of rural poor in the country. SHG model is considered to be the most flourishing, beneficial and widely acknowledged model among the marginalised section in India. Today, in India, SHGs epitomise a unique approach to financial

intermediation, which aims to give access to low-cost financial services with a process of self-management and empowerment of SHG members.

1.1 An introduction to Stree Shakti scheme

Stree Shakti scheme is one such intervention introduced by the Government in the state of Karnataka. The program was launched during 2000–2001 and it is being implemented throughout the state of Karnataka to empower women and make them self-reliant. Stree Shakti is channelised through the formation of SHGs as a savers group with some saving targets. Every group has to save a small amount per month. This saved amount of money is deposited in a bank. The bank where savings are deposited by SHG, examine the performance of the group periodically, and if the performance is found to be good, the group gets credit facilities by the bank, without any collateral. The main aim of the Stree Shakti scheme is to inculcate the saving habits among beneficiaries and empower them economically. About 10–15 members falling below the poverty line or landless agricultural labourers join together to form a group. And these groups are formed and monitored by Anganwadi Workers and Taluk federations.

1.2 Intervention programs of Stree Shakti scheme

Since its inception in 2000, the Stree Shakti program has introduced several strategic initiatives for inclusive rural growth and development. The program provides microfinance at the grass-root level to the rural poor through the SHG bank linkage program without any collateral. Under this program the beneficiaries of SHG are provided a 6% interest subsidy for the bank loan along with revolving fund facilities.

Stree Shakti program emphasises the training and development activities of Anganwadi workers and SHG members. The program also endeavours to empower them by providing capacity building and vocational skills in training, handicraft, etc. The main objective of the program is to encourage skill-based economic activities at the grass-root level. It emphasises providing a platform to market the products produced by SHG members by organising annual exhibitions and marketing activities. Incentives are given to the groups with excess savings and for undertaking income-generating activities. The major objective of the Stree Shakti scheme is to enable an environment conducive for the economic development of women. The scheme was channelised through the SHG bank linkage program which would provide opportunities for saving, accessibility to credit facilities and eventually facilitate in undertaking income-generating activities.

Without socio-economic empowerment at the grass-root level consisting of the underprivileged and weaker section of the society, holistic development of economy does not happen and the very purpose of Microfinance is to empower weaker sections of the society. In the context of this, an attempt has been made in this research study to empirically examine whether participation in Stree Shakti enabled SHG leads to the socio-economic empowerment of the members.

1.3 Research objectives

The present study is an attempt to investigate the impact of the Stree Shakti scheme on the empowerment of rural women. As the objective of the Stree Shakti scheme is to enable an environment conducive for the economic development of women (Naganagoud, 2012). The study is trying to examine the socio-economic conditions of members' pre and post participation in the Stree Shakti program. The study is trying to investigate the impact of Stree Shakti's model on Social Empowerment and Economic Empowerment of members.

The findings of the study will be of immense use to the financial institutions and the policymakers by understanding the regional imbalances in terms of financial inclusion through microfinance and to get a

better perspective of the trials and problems faced by the marginalised section of the society

1.4 Scope and significance of the study

The study is undertaken in Belagavi, Karnataka. Primary data is collected from SHG members using a structured questionnaire to determine whether and to what extent participation in Stree Shakti program has an impact on the socio-economic empowerment of its members in the selected region; it is one of the 30 districts of Karnataka. Under the Stree Shakti scheme, Department of Women and Child Development has launched the SHG program on October 18, 2000, in the District.

2 Literature review

2.1 Empowerment through self-help groups

As per UNIFEM (2000), empowerment comprises of “gaining the capacity to create decisions and exercise, building up a feeling of self-esteem, faith in one’s capacity to tie down wanted changes and the privilege to control one’s life.” Empowerment infers a development of benefits and abilities of individuals to impact the control and consider Accountable on which influences their lives (World Bank Resource book). In India from Fifth Five Year Plan onwards, there has been a checked move in the way to deal with the issues from welfare to improvement and empowerment of women, the legislature of India proclaimed 2001 as Women’s Empowerment Year.

Women’s empowerment and economic advancement are firmly interrelated. While improvement itself will achieve women empowerment, enabling them to realise changes in basic leadership, which will directly affect economic advancement (Duflo, 2012).

Das and Bhowal (2013) attempted to understand the dimension of SHGs as an empowerment model or financial model by using statistical tools like correlation and ANOVA. The study revealed that participants in the overall score of variables on empowerment were essentially more than the overall score of variables on the financial model.

Empowerment of women includes higher literacy level and education, better awareness about healthcare, equal ownership of productive resources and participation in economic and commercial activities, improved standard of living and self-reliance of women. State and Central governments have formulated and implemented several schemes for the social and economic development of rural women, but the results don’t witness the overall empowerment of women in rural areas. Though the women have indicated a considerable level of empowerment after joining SHG, Officials of Women and Child development found the performance of Government-sponsored Stree Shakti SHG as minimal as 51% (Yatnall et al., 2012). Overall SHGs have a positive effect on the economic, social and political empowerment level of members (Brody et al., 2017).

2.2 Development of study hypothesis

Socio-economic factors of rural people changed after joining SHG with Special Reference to Mettupalayam Taluk in Coimbatore District, and also economic activities of women members are proven to be successful (Thangamani and Muthuselvi, 2013). SHGs have provided numerous financial advantage in terms of increased assets, enhanced savings and borrowing practices, increased income and employment and improved social life of rural households (Vachya and Kamaiah, 2015).

A research conducted by Poominathan et al. (2016) stated that among other variables such as age, education, women empowerment is highly influenced by the income level of members.

Datta (2015) mentioned that SHG has brought some noticeable changes in a variety of dimensions in the lives of the socially and economically marginalised section in Bihar. A substantial percentage of

households are freed up from high-cost debt.

The participatory approach of the SHG model is helping rural women to have a favourable attitude towards the SHG model because SHG helped them to reduce their financial dependence on informal money lenders in rural areas. They could access hasslefree bank loans after joining SHG, which in turn helps them to increase their income level (Patil and Kokate, 2017). Bammi (2014) mentioned that the bank linkage program seems to impact positively on the lives of the rural section in the form of increased savings, improved standard of living.

The efficacy of SHGs on women's economic empowerment can be measured through the change in income and savings levels. And it was examined by the author by evaluating an increase in the revenue, level of jobs and improvement in savings before and after entering the SHG program. The research found that SHGs have an enormous impact on women's empowerment and socio-economic development of rural individuals (Sarania, 2015).

H1: Participation in SHG is effective in improving the status of the members in terms of income, savings, and expenditure and debt level.

2.3 Economic empowerment

Several studies by the various researchers led to perceive the connection between participation in self-help groups and economic empowerment. In a study done by Pillai and Abraham (2017), the authors mentioned SHG can be viewed as a cost-effective, scalable, and sustainable tool for financial inclusion in India.

Mohaptra and Sahu (2016) attempted to analyse individual, household and environmental factors that influence participation in SHGBLP, a composite index of women empowerment is analysed considering three dimensions viz. autonomy, economic empowerment, and the gender relationship. The study discovered that the socio-economic and environmental factors influence the participation in SHG programs. And landholding, mean asset value and per capita household income have a positive impact on participation in the program.

Swamy (2014) stated that women use resources in such a way that contributes significantly to their savings and household income, these increases attribute to the decision making the ability of women.

Sandhya and Ranjini (2018) researched SHG members working in manufacturing and production sectors in Mysuru District, the findings indicate that the majority of the beneficiaries have used the loans for starting their part-time micro-enterprises which is supplementing their wages they are getting from the factory. This has enabled the members of SHG to become economically independent and helped them earn a stable income.

The inter-lending system practised in the SHG enables members to borrow the loan to supplement their income without depending on any external financial sources helping them to create additional income. This eventually increases their bargaining power within their household and leads to empowerment. Economic factors have the most significant impact on empowering rural women (Swain and Wallentin, 2012).

H2: Participation in Stree Shakti launched SHG has a significant impact on the economic empowerment level of members

2.4 Social empowerment

In addition to the economic gains, the SHG program has endowed some other social benefits among rural women like increased social communication, increased awareness and understanding about formal banking systems which have positive effects on the empowerment of rural women (Rajeev et al., 2019). Patil and Kokate (2017) investigated the attitudinal aspect of members of SHG using factor analysis.

The investigation recognised seven prime components viz. coping up ability', 'personality traits', 'resource utilisation and building', 'entrepreneurial attributes', 'organisational governance', 'financial inclusion' and 'economic upliftment' in charge of positive disposition.

Gangadhar and Malyadri (2015) ascertained the indicators of empowerment of SHG members. The study discovered that microfinance is an effective tool in improving the women empowerment level, and there has been a steady improvement in household economic decision making, legal awareness, mobility, economic security.

Mohan (2011) revealed that microfinance was instrumental in bringing psychological and social empowerment in terms of skill development, increased self-esteem, than economic empowerment.

Desai and Olofsgård (2019) while attempting to examine the improvement in the use of public goods have used SHG intervention. The study revealed that SHG members possess greater knowledge of how to address problems of road, health service, and water supply. They are more likely to contact government authorities regarding their grievances about public goods. The presence of SHG has promoted cooperation among women members.

Kumar et al. (2019) investigated the link between SHG membership and political awareness, and utilisation of initiatives of government schemes. Findings showed a positive relationship of SHG enrolment with a few political cooperation pointers, additionally, members are more aware of the welfare scheme and they are more likely to utilise these schemes indicating that they are able to use the information put it into action either because of their empowerment or group empowerment. The effectiveness of the microfinance system depends not just on the amount of groups created, but also on the survival and sustainability of such groups (Das and Guha, 2019).

H3: Awareness level of members has a significant impact on social empowerment of members

2.5 Conceptual framework of the study

Figure 1 Model of empowerment through SHG

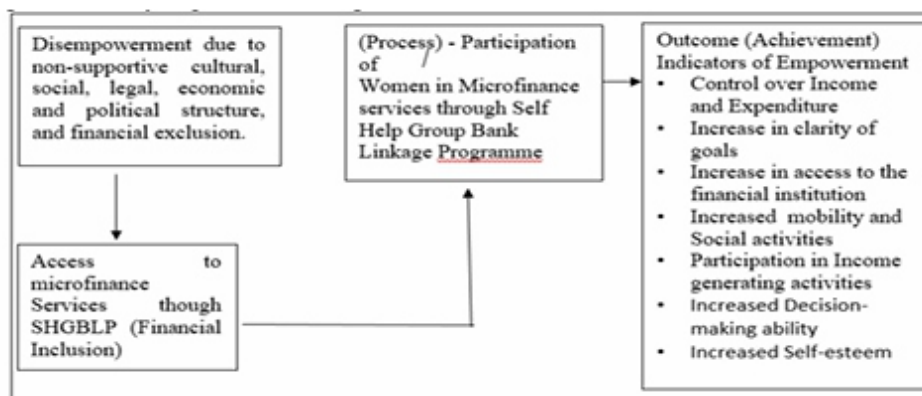
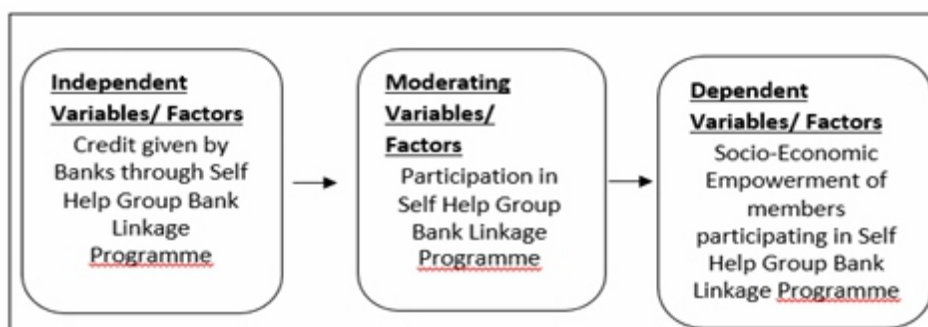


Figure 2 Conceptual model



3 Research methodology

The present study is descriptive and empirical in nature. This research study aims to find out whether Stree Shakti launched SHGs can transform the socioeconomic status of beneficiaries and impact their empowerment level. Questionnaires were administered on the members of SHG of Belagavi. The necessary information is collected from members of matured SHG's (exist at least in the last 3 years) promoted by Stree Shakti from District Wise Report on SHG Group (2018). Further, to analyse the empowerment the respondents were interviewed and Random Sampling Method is used to select the respondents. Statistical tests used: Validity Test, Descriptive Statistics, Paired-t-test, and Regression analysis.

3.1 Developing data collection instrument

The research tool consisted of a structured questionnaire with a variety of response formats like ranking, multiple choices, and Likert scale are used. Part I of the questionnaire was designed to elicit the demographic information related to members. Part II of the questionnaire was designed to know the participation of members in SHG activities, and Part III of the questionnaire was designed to know the transition brought by SHG in terms of empowerment of members, Part IV was designed to know the status of members before and after participation in SHG.

3.2 Determination of sample size

Karnataka has been forefront in providing rural banking services and occupies the third position in promoting SHG after Andhra Pradesh and Tamil Nadu. And credit linkage of SHG with banks is the third highest in Karnataka (47.78%) (NABARD Report, 2019). Referring to the data of branch banking statistics published by RBI and Gram Panchayat i.e. District Talukwise number of functioning SHG in 2018, 1200 groups are functioning in Belagavi, Karnataka. The group administration approach was used to distribute 250 questionnaires among the target population. A total of 198 duly filled questionnaires were returned. Out of 198, 34 questionnaires were erroneous having incomplete data, among 164 respondents 40 members discontinued the membership in SHG under the Stree shakti scheme. For validity purposes using a 10% rule of sampling were collected for analysis. Four Questionnaires were excluded for rounding off. Therefore for further analysis, 120 responses were selected under Stree Shakti launched SHGs.

3.3 Research questions and hypothesis

3.3.1 Research questions

Research question 1: Whether participation in SHGBLP is effective in improving the status of the members. Here, improvement in status is assessed based on the change in the Income level, expenditure level, and Savings and Debt level of the members after participation in SHG.

Research question 2: Whether participation in SHG has an impact on the social empowerment level of members, such as (a) Increased self-confidence; (b) Improved decision-making skills; (c) Leadership quality; (d) Active participation in community developmental activities (e) Better communication skills.

Research question 3: Whether participation in SHGBLP has an impact on the economic empowerment level of members, such as (a) Increased standard of living; (b) Increased monthly income and savings; (c) Possession of assets; (d) Better control over earnings (e) Able to contribute towards the family income.

3.3.2 Hypothesis

Research question 1 is addressed by hypothesis (H1): Participation in SHG is effective in improving the status of the members.

A paired-t-test is used to know the status of members before and after participation in SHG. Here improved status is assessed based on the change in the variables such as Income level, expenditure level, Savings and the Debt level of the members after participation in SHG. The data collected is comparative and collected using the Likert scale, each item is tested comparatively (before and after participation in SHG).

Research question 2 is addressed by hypothesis (H2): Awareness level has impacted the social empowerment of members.

Multiple regression analysis is used to ascertain the impact of independent variable i.e. awareness level and was correlated with each dependent variable of Social empowerment which includes data about (a) Increased self-confidence; (b) Improved decision-making skills; (c) Leadership quality; (d) Active participation in community developmental activities (f) Better communication skills and overall variance was tested. Research question 3 is addressed by hypothesis (H3): Participation in Stree Shakti launched SHG has an impact on the Economic empowerment level of members.

To test this hypothesis, Multi-Regression analysis is used for impact evaluation, to ascertain the impact of independent variable i.e. Participation in SHG and was correlated with each dependent variable of Economic empowerment which includes data about (a) Increased standard of living; (b) increased monthly income and savings; (c) Possession of assets; (d) Better control over earnings (e) Able to contribute towards family income and overall variance was tested.

4 Analysis and interpretation of data

4.1 Demographic profile of the respondents

Table 1 Demographic profile of the respondents

Demographic variables	Category	Statistics	
		Frequency	Percentage
Age	Less than 20	12	10.0
	20–25 years	24	20.0
	25–30 years	20	16.7
	30–35 years	32	26.7
	35–40 years	16	13.3
	40 years and above	16	13.3
Type of family	Nuclear	64	53.3
	Joint	56	46.7
Education	Illiterate	8	6.7
	Primary school	68	56.7
	High school	44	36.7
Occupation	Agricultural labour	44	36.7
	Self employed	36	30.0
	Petty business	40	33.3

4.2 Participation in Stree Shakti program is effective in improving the status of the members

The objective is to know whether the participation in SHGBLP is instrumental in improving the status of the members. Here, improved status is assessed based on the change in the variables such as Income and expenditure level, Savings and the Debt level of the members after participation in SHGBLP. Paired-‘t’-test is applied to compare two population means where two samples are studied in which observations in

one sample can be paired with observations in the other sample. The T-test compares the actual difference between the two means in relation to the variation in the data expressed in terms of standard deviation. The test is widely used to see if the observed difference between two means is statistically significant.

Table 2 Reliability analysis for items in the questionnaire

<i>Reliability statistics</i>		
<i>Cronbach's alpha</i>	<i>Cronbach's alpha based on standardised items</i>	<i>No. of items</i>
.683	.650	5

A paired-t-test on monthly income before and after joining SHGs

Hypothesis 1.10 – There is no significant change in the income level

Hypothesis 1.1a – There is a significant change in the income level

Inference: Since the probability, value is 0.000 ($p < 0.05$), the null hypothesis is rejected and it can be concluded that there is a significant change in the monthly income before and after joining the SHGBLP. The mean score of income after joining (3.47) is more than (2.97). Thus, the participation in SHGBLP has a significant impact on the income level of the respondents.

A paired-t-test on monthly expenditure before and after joining SHGs

Hypothesis 1.20 – There is no significant change in the expenditure level

Hypothesis 1.2a – There is a significant change in the expenditure level

Inference: Since the probability, value is 0.001 ($p < 0.05$), the null hypothesis is rejected and it can be concluded that there is a considerable change in the monthly Expenditure before and after joining the SHGs. The mean score of expenditure after joining (2.18) is higher than (1.93). The expenditure level after joining SHG has significantly increased.

A paired-t-test on monthly savings before and after joining SHGs

Hypothesis 1.30 – There is no significant change in the savings

Hypothesis 1.3a – There is a significant change in the savings

Inference: Since the probability value is 0.096 ($p > 0.05$), the null hypothesis is accepted and it can be concluded that there is no considerable change in the monthly savings after joining SHG.

A paired-t-test on monthly debt level before and after joining SHGs

Hypothesis 1.40 – There is no significant change in the debt level

Hypothesis 1.4a – There is a significant change in the debt level

Table 3 Paired sample test of value of monthly income

<i>Paired samples statistics</i>					
	<i>Mean</i>	<i>No.</i>	<i>Std. deviation</i>	<i>Std. error mean</i>	
Pair 1					
Monthly income before joining SHGIBLP	2.97	120	0.849	0.078	
Change in monthly income after joining SHGIBLP	3.47	120	0.849	0.078	
<i>Paired samples test</i>					
<i>Paired differences</i>					
	<i>Mean</i>	<i>Std. deviation</i>	<i>Std. error mean</i>	<i>t</i>	<i>Sig. (2-tailed)</i>
		<i>95% Confidence interval of the difference</i>			
		<i>Lower</i>	<i>Upper</i>		
Pair 1					
Monthly income before joining SHGIBLP –					
Change in monthly income after joining SHGIBLP	-0.500	0.502	0.046	-10.909	0.000

Table 4 Paired sample test of value of monthly expenditure

<i>Paired samples statistics</i>				
	<i>Mean</i>	<i>No.</i>	<i>Std. deviation</i>	<i>Std. error mean</i>
Pair 1				
Monthly expenditure before joining SHGBLP	1.93	120	0.724	0.066
Change in monthly expenditure after joining SHGBLP	2.18	120	0.785	0.072
<i>Paired samples test</i>				
<i>Paired differences</i>				
	<i>Mean</i>	<i>Std. deviation</i>	<i>95% Confidence interval of the difference</i>	<i>Sig. (2-tailed)</i>
			<i>Lower</i>	<i>Upper</i>
Pair 1				
Monthly expenditure before joining SHGBLP – Change in monthly expenditure after joining SHGBLP	-0.250	0.833	-0.401	-0.099
			-3.289	119
				0.001

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Paired samples statistics					
	Mean	No.	Std. deviation	Std. error mean	
Pair 1					
Monthly savings before joining SHGBLP	1.03	120	.180	.016	
Change in monthly savings before joining SHGBLP	1.08	120	.264	.024	
Paired samples test					
Paired differences					
	Mean	Std. deviation	Std. error mean	95% Confidence interval of the difference	
				Lower	Upper
Pair 1					
Monthly savings before joining SHGBLP – change in monthly savings before joining SHGBLP	–0.042	0.272	.025	–0.091	0.007
				–1.679	119
					0.096

Inference: Since the probability value is 0.000 ($p < 0.05$), the null hypothesis is rejected and it can be concluded that there is a considerable change in the monthly Debt level before and after joining the SHGs. Thus the participation in SHGBLP has reduced the debt level of the respondents.

4.3 Impact assessment of Stree Shakti scheme on empowerment

Table 7 Reliability statistics

<i>Reliability statistics</i>	
<i>Cronbach's alpha</i>	<i>No. of items</i>
.083	4

Hypothesis 2.10 – Awareness level has no impact on social empowerment of SHG members

Hypothesis 2.1a – Awareness level has an impact on social empowerment of SHG members

The objective of testing this hypothesis is to know whether the awareness level has an impact or causes any variance on Social Empowerment. This helps to understand, how the awareness level and each of its dimensions, i.e. awareness about Government programs and schemes, Banking facilities and transactions, Availability of local resources, Social and legal awareness are related to and cause impact (variance) on Social Empowerment of members. Multiple regression analysis was needed to be employed here because the independent variables (Awareness level) were all measured on continuous scales and even the dependent variable Social Empowerment was measured on a continuous scale.

Interpretation: Multiple regression analysis was conducted to determine how dimensions of awareness level were related to dimensions of Social empowerment of members. This overall regression model produced an R^2 of .163 which means that the awareness level has 16% of the variance on the dependent variable Social Empowerment. The overall model was significant ($4119 = 5.583$, $p < .005$) and it accounted for 16% of the variance. It is found that Social and legal awareness ($\beta = .407$, $t = 3.077$, $p = 0.003$) has the highest significance or impact on social empowerment of members followed by awareness about banking facilities and transaction ($\beta = .240$) and awareness about Govt. programs and schemes ($\beta = .180$). Availability of local resources is not having a considerable influence on the social empowerment of members.

Inference:

1 Null hypothesis H_0 is rejected, Since $p(0.000) < 0.005$, hence awareness level has an impact on Social empowerment of members.

2 Awareness level showed a variance of 16 % (R^2 -value) on the Social Empowerment of members.

Hypothesis 3.10 – Participation in Stree Shakti launched SHG has no impact on the Economic Empowerment of participants

Hypothesis 3.1a – Participation in Stree Shakti launched SHG has an impact on Economic Empowerment of participants

Table 8 Results of multiple regression between SHG program and social empowerment

Model summary ^b						
Model	R	R-Square	Adjusted R-Square	Std. error of the estimate		
1	.403 ^a	.163	.133	.18609		
a. Predictors: (Constant), Social and legal awareness, banking facilities and transactions, government programs and schemes, availability of local resources						
b. Dependent variable: Social						
ANOVA ^a						
Model	Sum of squares	df	Mean square	F	Sig.	
1						
Regression	.773	4	.193	5.583	.000 ^b	
Residual	3.982	115	.035			
Total	4.756	119				
a. Dependent variable: Social						
b. Predictors: (Constant), Social and legal awareness, banking facilities and transactions, government programs and schemes, availability of local resources						
Coefficients ^a						
Model	Unstandardised coefficients		Standardised coefficients		t	Sig.
	B	Std. error	Beta			
(Constant)	1.901	.135			14.131	.000
Government programs and schemes	-.048	.025	.180		-1.919	.058
1 Banking facilities and transactions	-.104	.040	.240		-2.600	.011
Availability of local resources	-.021	.046	.064		-.463	.644
Social and legal awareness	.172	.056	.407		3.077	.003
a. Dependent variable: Social						

Table 9 Results of multiple regression between SHG program and economic empowerment

Model summary ^b					
Model	R	R-Square	Adjusted R-Square	Std. the error of the estimate	
1	.485 ^a	.236	.188	.26338	
a. Predictors: (Constant), Participation in training activities, received new skills, better status in decision making power, increased income, access to promotional assistance, access to larger quantity of resources, better access to credit facilities					
b. Dependent variable: Economic empowerment					
ANOVA ^a					
Model	Sum of squares	df	Mean square	F	Sig.
1 Regression	2.394	7	.342	4.929	.000 ^b
Residual	7.769	112	.069		
Total	10.163	119			
a. Dependent variable: Economic empowerment					
b. Predictors: (Constant), Participation in training activities, received new skills, better status in decision making power, increased income, access to promotional assistance, access to larger quantity of resources, better access to credit facilities					
Coefficients ^a					
Model	Unstandardised coefficients		Standardised coefficients		Sig.
	B	Std. error	Beta		
(Constant)	2.258	.390		5.796	.000
Access to a larger quantity of resources	.137	.041	.326	3.381	.001
Increased income	-.080	.062	.127	-1.299	.003
Better access to credit facilities	.176	.056	.341	3.171	.002
1 Received new skills	.034	.039	.080	.870	.386
Access to promotional assistance	-.098	.044	.214	-2.210	.029
Better status in decision-making power	-.028	.058	.050	-.484	.630
Participation in training activities	-.054	.043	.119	-1.265	.209
Dependent variable: Economic empowerment					

Interpretation:

Multiple regression analysis was conducted to determine the relationship between the participation in SHGBLP and Economic empowerment of members. This overall regression model produced an R² of .23 which means that the participation in SHGBLP explained 23% of the variance in the dependent variable Economic empowerment of members. The overall model was significant, $F(7, 119) = 4.929$, $p < .05$ and it accounted for 23% of the variance. It is found that better access to credit facilities ($\beta = .344$, $t = 3.171$, $p = 0.002$) has the highest significance or impact on economic empowerment of members followed by access to resources ($\beta = .326$) and access to promotional assistance ($\beta = .214$). Whereas, participation in training activities, new skills, and decision-making power are not having a significant impact on the Economic empowerment of members.

Inference:

1 Null hypothesis H₀ is rejected, Since $p(0.000) < 0.005$, hence participation in SHGBLP has an impact on economic empowerment of SHG members.

2 Participation in SHGBLP showed a variance of 23% (R²-value) on economic empowerment of members.

5 Findings and discussion

The study attempted to investigate the impact of participation in Stree Shakti program on the empowerment of women. Findings show a very strong positive influence on the social and economic empowerment of women participants. Paired-t-test revealed that the members could increase their income considerably after participation in SHG under the Stree Shakti scheme due to the easy availability of credit and participation in income-generating activities, and also there is an increase in their expenditure after participation in SHG. It is noted that there has been no change in the savings of the members after participation in SHG. It shows that the credit available to them is used more for consumption purposes rather than for productive purposes. It is noted that the debt level of members has reduced significantly after participation in SHGBLP which shows that members are able to pay off their debts and are becoming self-sufficient.

Regression analysis revealed that awareness level has an impact on the social empowerment of women participants. By virtue of participation in the program the awareness level of the members has improved. It is found that social and legal awareness has the highest significance or impact on social empowerment of members followed by awareness about banking facilities and transaction and awareness about Govt. programs and schemes. The increased awareness in these areas is facilitating members to better decisions and making them self-confident.

The study shows that participation in SHGBLP has a strong impact on the economic empowerment of women participants. It is found that better access to credit facilities has the highest significance or impact on the economic empowerment of members followed by access to resources and access to promotional assistance. Participation in the program has enabled members to have better access to credit facilities as SHG facilitates internal lending among members. The linkage with banks has facilitated members to get better access to resources and take part in promotional activities, which is helping them for sustained growth.

The research concludes by mentioning that participation in SHGBLP has impacted the social and economic empowerment of women. The study revealed that awareness level has caused a variance of 16% on Social empowerment of members, and participation in SHGBLP has caused a variance of 23% on the economic empowerment of members. SHGBLP has been instrumental in empowering members socially and economically.

6 Conclusion

The role of microfinance through the Stree Shakti program in empowering women is laudable. It is observed that educated middle-aged women show a keen interest in joining SHGs. The crucial motive behind joining is to increase their income level and elevate their economic status and the urge to save money for future use. It is remarkable to note that members have expressed good improvement in their income level, and also in their economic status. Stree Shakti program has impacted higher psychological and social empowerment along with economic empowerment. If we look at indicator of economic empowerment the program has a strong impact on the economic empowerment of women which concurs with the previous study by Hundekar (2019). Further, the impact is significant in bringing confidence, leadership, skill development in rural areas, particularly in women. To conclude, participation in Stree Shakti program has led to an enhancement in awareness level, psychological wellbeing, and socio-economic empowerment among rural women. Thus, it can be stated that SHG-Bank Linkage is a strategic tool to achieve women empowerment among the rural women flock. Hence, microfinance is considered to be an effective financial intermediary for empowering women and socio-economic upliftment. If microfinance initiatives are effectively it is instrumental in generating employment and savings.

7 Implications of the study

From the policy perspective, this study proves to be helpful in measuring the success and reach of SHGBLP, degree of financial exclusion, inequality, income disparity and regional variation in financial inclusion. The study provides a panoramic view of the role of SHGBLP in the empowerment of rural women and its role in the overall financial inclusion of the economy.

8 Scope for future research

- The efficiency of different SHGs could be analysed based on geography, and types of business done.
- The research may be further expanded to a comparative study of the status of this microfinance activity with various states vis-à-vis Karnataka.
- Research can be carried out on urban SHGs and comparisons can be made between the two
- Further research can be conducted on the segment of the population who are availing SHG loans through the bank linkage program. The region-wise study can be undertaken to know the success of the reach of this initiative in different regions, and the level of awareness among rural people about the policy initiative can be assessed.

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