

SAJMMR

ISSN (online) : 2249-877X

South Asian Journal of Marketing & Management Research



Published by
South Asian Academic Research Journals
A Publication of CDL College of Education, Jagadhri
(Affiliated to Kurukshetra University, Kurukshetra, India)

SAJMMR

ISSN (online) : 2249 –877X

Editor-in-Chief : Dr. B.C.M. Patnaik

Impact Factor : SJIF 2018 = 6.206

Frequency : Monthly

Country : India

Language : English

Start Year : 2011

Indexed/ Abstracted : Indian Citation Index(ICI), ISC IRAN,
Ulrich's Periodicals Directory, ProQuest, U.S.A.
EBSCO Discovery, Summon(ProQuest),
Google Scholar, CNKI Scholar, ISRA-JIF, GIF, IJIF

E-mail id: sajmmr@saarj.com

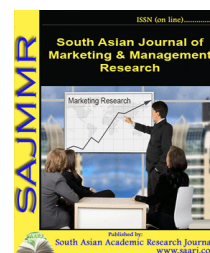
VISION

The vision of the journals is to provide an academic platform to scholars all over the world to publish their novel, original, empirical and high quality research work. It propose to encourage research relating to latest trends and practices in international business, finance, banking, service marketing, human resource management, corporate governance, social responsibility and emerging paradigms in allied areas of management including social sciences , education and information & technology. It intends to reach the researcher's with plethora of knowledge to generate a pool of research content and propose problem solving models to address the current and emerging issues at the national and international level. Further, it aims to share and disseminate the empirical research findings with academia, industry, policy makers, and consultants with an approach to incorporate the research recommendations for the benefit of one and all.



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(Double Blind Refereed & Reviewed International Journal)

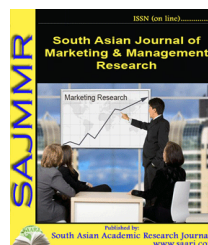


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South Asian Journal of Marketing & Management Research (SAJMMR)

(Double Blind Refereed & Reviewed International Journal)



DOI NUMBER: **10.5958/2249-877X.2019.00050.X**

IMPROVING THE POSITION OF UZBEKISTAN IN THE DOING BUSINESS RATING AS AN OPPORTUNITY TO INCREASE THE ATTRACTIVENESS OF FREE ECONOMIC ZONES

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ABSTRACT

This article analyzes the opportunity to increase the investment attractiveness of free economic zones by improving the “International Trade” indicators in the Doing Business rating of Uzbekistan. One of the problems hindering the penetration of investments into free economic zones is the fact that the price and time of export and import are relatively high compared to other countries in the region. Countries with high performance in these indicators will not only have sufficient conditions for business development, but also will be attractive for their investment attractiveness and reliability for foreign economic activity. However, there was a three-point decline in international trade. Linking this to the above, we can see that declining the share of small business and private entrepreneurship in the export of goods and services changed in a straight proportion, and the share of small business and private entrepreneurship in the imports of goods and services reversed showed inversely proportional changes. Moreover, the high costs of exports and imports can be explained by the high costs of transport infrastructure in the country. Part of the problem is the lack of access to the waterways, non-compliance of highways with world standards, the high level of railway transportation costs, and the inadequacy of international airports are the other parts of the problem. The same ratings can be seen in the Doing Business rating, which is analyzed by the World Bank.

KEYWORDS: Foreign Investment, Doing Business Rating, International Trade Index, Free Economic Zone, Export, Import, Transport Infrastructure.

INTRODUCTION

The financial activity of foreign investors in a particular country depends on economic, legal and political conditions that created for the development of entrepreneurship, regardless the level of economic and social development of the country, and it is developed or developing.

The same ratings can be seen in the Doing Business rating, which is analyzed by the World Bank.

According to this rating, the conditions created for the development of entrepreneurship in the country will be analyzed and published with such indicators as business registration, construction permits, electricity connection, registration of private property, loans, investor protection, tax and taxation, international trade, contract enforcement, and insolvency. Countries with high performance in these indicators will not only have sufficient conditions for business development, but also will be attractive for their investment attractiveness and reliability for foreign economic activity.

Even though Uzbekistan is in the top 100 in these rankings, there are some slowing positions. Take for example, construction permits, international trade, taxation and taxation can be included in such positions that need to be solved. In particular, unsatisfactory rates of international trade impede not only the development of exports in the country, but also the development of free economic zones.

Below, the chance of development investment attractiveness of free economic zones in the country by improving the rate of international trade position in the “Doing Business” rating will be analyzed.

The main part

The results of state support for business entities can be seen in the fact that the share of business entities in GDP is 55-57% among developed countries. However, the share of small business and private entrepreneurship in Uzbekistan's exports in 2016 was 26.5% [1].

According to the latest World Bank's Doing Business rating, Uzbekistan is ranked in execution of contracts (41st), in the Business Registration (12th), Loans (60th), Credit Insolvency (91st), in terms of real estate registration (71st) and minority investor protection (64th) among the top 100 countries.

Uzbekistan ranked 82nd in business performance in 2016, 87th in 2017 and 74th in 2018 among 189 countries. We can see that our country improved for 13 point, clearly from 87th to 74th in the overall ranking. However, there was a three-point decline in international trade. Linking this to the above, we can see that declining the share of small business and private entrepreneurship in the export of goods and services changed in a straight proportion, and the share of small business and private entrepreneurship in the imports of goods and services reversed showed inversely proportional changes.

TABLE-1 INDICATORS OF DOING BUSINESS IN UZBEKISTAN, INDICATORS OF “DOING BUSINESS” FOR 2016–2019 [2]

Directions	DB 2016 Rating Index	DB 2017 Rating Index	DB 2018 Rating Index	DB 2019 Rating Index
Registration of company	23	25	11	12
Allowance to building	147	147	135	134
Electrical connection	78	83	27	35
Registration of private property	81	75	73	71
Loans	42	44	55	60
Protection of investor rights	78	70	62	64
Tax and taxation	139	138	78	64
International trade	166	165	168	165
Ensure the implementation of contracts	37	38	39	41
Allow for insolvency	72	77	87	91

In 2017 Uzbekistan ranked 165-place in the International Trade Index, in 2018 168th, in 2019 ranked in the 165positions. As we have seen, export time in Uzbekistan is 112 hours under border and customs control and it takes 28 hours in Europe and Central Asia. Time to export: registration takes 174 hours in Uzbekistan and 27.9 hours in Europe and Central Asia. This means that the main problem is the time that spending in export process. Border and customs control have also been affected by the longevity of goods and products

TABLE-2 TIME CONSUMING AND COST IN INTERNATIONAL TRADE [2]

Indicator	Uzbekistan (2017)	Uzbekistan (2018)	Uzbekistan 2019	Europe and Central Asia (2017)	Europe and Central Asia (2018)	Europe and Central Asia
Time to export: border and customs control (hour)	112	112	112	28	28	22,1
Cost of export: border and customs control (US Dollar)	278	278	278	195	191,4	157,5
Time to export:	174	174		27	27,9	24,3

registration (hour)			96			
Cost of export: registration (US Dollar)	292	292	292	111	113,8	97,9
Time to import: border and customs control(hour)	111	111	111	26	25,9	21,1
Cost of import: border and customs control(US Dollar)	278	278	278	202	185,1	162,3
Time to import: registration(hour)	174	174	174	26	27,3	24,7
Cost of import: registration (US Dollar)	292	292	292	91	94,7	93,9

In addition, the large number of documents that required for export and procedures are the problems that attracts attention and cause subjects of foreign economic activity to deprecate.

Documents that required for export	Documents that required for import
Export declaration Export Agreement Certificate of Conformity Package list Trademark Export license for cotton Fumigation certificate Phytosanitary certificate	Customs declaration Trademark Commercial billing Code numbers Certificate of Conformity Invoice Expert Decision Defining Product Code

As you can see, the number of documents required for export are 9 in our country. In the countries on the leading Doing Business rankings, this figure is no more than 6. Fumigation certificate and phytosanitary certificate are attached to the quality certificate.

The abundance of export documents and the restrictions on imports have an impact not only on the development of foreign economic activity but also on the attractiveness of the free economic zones.

The Free Economic Zones are the “Window” zones in the country. As the fresh air enters through the windows of the house, foreign investments that are important for the economic and social development of the country enter through Free Economic Zones. Incoming foreign investor intends to produce export products using cheap raw materials and low price of employees. Despite the high privileges and preferences, the long and costly documentation process for export is one of the biggest obstacles to the development of free economic zones.

The process of filing import documents takes 174 hours, and the procedure in Europe is 25-30 hours on average, which is one of the challenges that need to find solution in our country.

Although Uzbekistan has a relatively simplified regime of import time and requirements, the 10-70% import tariff rates also allow non-tariff restrictions to be maintained.

Moreover, the high costs of exports and imports can be explained by the high costs of transport infrastructure in the country. Part of the problem is the lack of access to the waterways, non-compliance of highways with world standards, the high level of railway transportation costs, and the inadequacy of international airports are the other parts of the problem. In particular, the analysis of international intermodal logistics activities at Navoi Airport revealed that the terminal capacity is not being used completely despite of the conveniences and opportunities. Less than 20% of the annual capacity of 100,000 tons is being used. It is clear from 300,000 tons of cargo has been transported through this airport for the past eight years.[3]

CONCLUSION

In order to increase the investment attractiveness of free economic zones in the country, we believe that followings need to be done:

- First of all, reduce the time and documents required for export and import. These include: time to export: Fumigation Certificate, approving Phytosanitary Certificate to the Quality Certificate, clearly, starting to use 3 in 1 Quality (Compliance) Certificates;
- The development of FEZ in the country is associated with the developed level of transport and financial infrastructure, and the development of infrastructure will not only solve the problems of foreign economic activity, but also increase the investment attractiveness of the free economic zones.

In conclusion, we can say that in the economy of the country, each economic process is interconnected with each other, and the development of one process allows for the improvement of another. Likewise, improving the ranking of Doing Business will increase the investment attractiveness of free economic zones.

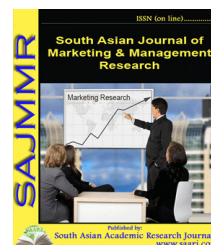
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South Asian Journal of Marketing & Management Research (SAJMMR)

(Double Blind Refereed & Reviewed International Journal)



DOI NUMBER: **10.5958/2249-877X.2019.00051.1**

PERMISSION MARKETING – THE HOPE AND HYPE OF ELECTRONIC MARKETING

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ABSTRACT

Courtesy is the gift of treating others with warmth and respect. It means according dignity to people by being considerate, responsive, and kind in our dealings with them. This must have been well understood by marketing professional and hence came the term 'Permission Marketing'. Due to the increase in the advancement of information technology, all the smart business companies around the world now practice advance technology and innovative techniques to persuade the behavior of consumers. Permission marketing is an approach to selling goods and services in which a prospect explicitly agrees in advance to receive marketing information of their choice. Advocates of permission marketing argue that it is effective because the prospect is more receptive to a message that has been requested in advance and more cost-efficient because the prospect is already identified and targeted. In a world of information overload, automated telemarketing, and spam, most people welcome the idea of permission marketing. This paper is an effort to critically analyse the concept and its relationship to existing ideas in the marketing literature, secondly, it presents the existing models of permission marketing commonly used for implementation of this strategy. The next part deals with various types of permission and the concept of permission intensity, which is seen as a key differentiator among various models. Finally, an effort had been made to analyse the conceptual cost-benefit framework through a study.

KEYWORDS: *Permission marketing, consumer interest, customer participation, cost-benefit, permission intensity.*

INTRODUCTION:

Every few years there comes a new term in the literature of marketing which captures attention of the concerned for some years. When people were talking about holistic marketing there came the term neuro marketing followed by permission marketing, which is followed by the latest one marketing with meaning. Courtesy facilitates successful interaction and negotiation, generously laying a foundation for understanding and harmony. Permission marketing (also called invitational marketing) is the *privilege* of delivering anticipated, personal and relevant messages to people who want to get them. This is *new marketing*. **Seth Godin**, Internet marketing pioneer, coined and popularized the term **Permission marketing** (1999), (although some forms of it existed earlier too) used it in marketing literature in general and e-marketing, m-marketing or virtual marketing in particular. He said he want to change the way *almost everything is marketed to almost everybody*. "The heart of Permission Marketing is giving the stranger a reason to pay attention, while Interruption Marketers hold people hostage." Marketers should obtain permission before advancing to the next step in the purchasing process. Marketers feel that this is a more efficient use of their resources because the offers are sent to people only if actually interested in the product.

Marketers feel that marketing should be done on a one-to-one basis rather than using broad aggregated concepts like market segment or target market. This is one technique used by marketers that have a personal marketing orientation in the global, boundary-less virtual world. This would require even better understanding of the AIDAS principle of direct marketing. For example, they ask permission to send email newsletters to prospective customers. It is mostly used by online marketers, notably email marketers and search marketers, as well as certain direct marketers who send a catalog in response to a request. Permission marketing is the ultimate kind of marketing, dedicated as it is to obtaining customer consent to receive information from your company. Permission marketing is about building an ongoing relationship of increasing depth with customers, drawing them closer and closer until they become customers. In the words of **Seth Godin**, its goal is "*turning strangers into friends, and friends into customers*."

The undesirable opposite of permission marketing is interruption marketing or traditional direct marketing. Permission marketing represents a distinct improvement over the traditional "*tell and sell*" approach to marketing, but in many ways it has made our jobs harder, as it has fueled consumers' desire and motivation to opt out of marketing altogether. Power has shifted away from big ad agencies into the hands of the consumers. "I don't care if you have a multi-billion dollar marketing budget – if you interrupt me and don't treat me with respect I now have the power to tune you out of my world. Even though permission marketing can be implemented in any direct medium, it has emerged as a serious idea only with the advent of the Internet. The two reasons for this are that on the Internet, the cost of marketer-to-consumer communication is low, and the Internet enabled rapid feedback mechanisms due to instantaneous two-way communication.

The underlying philosophy at work here is that with Permission Marketing a company can increase the frequency with which it can contact the customer (or potential customer). Permission marketing offers the promise of improving targeting by helping consumers interface with marketers most likely to provide relevant promotional messages. The customer welcomes these frequent contacts, because they receive some benefit. These contacts breed trust, which then will lead to a sale, or reinforce repeat purchase patterns. The position of permission marketing in the evolution of new ideas of marketing is as shown below:

Direct Marketing	Permission Marketing	Marketing with Meaning
Approach the consumer directly, using information.	Seek consumer targeted approval and input prior to the approach.	Create marketing that invites consumer participation.
"Advertising arrives at my home, whether I like it or not." "I give you my business."	"I can choose whether or not to receive Relevant advertising."	"The marketing itself improves my life, so I will both notice you <i>and</i>
"Tell and sell" Monologue	"Give and take" dialogue	"Value-added" benefit
Interruption	Authorization	Service
Focus on medium	Focus on message	Focus on meaning

Source: The Next Evolution of Marketing: Connect with Your Customers by Marketing with Meaning (Bob Gilbreath)

Target Customers for Permission Marketing:

Marketing has pretty much been around forever **in one form or another**. Internet is a revolution. In what is being touted as "the largest ongoing survey in the world to explore consumer attitudes, ownership, and use of technology", Forrester claim to have hit on the big difference between the way Gen X (29-42 year olds) and Gen Y (18-28 year olds) use technology. Gen Y, are the true online natives and have integrated technology into their everyday lives. They spend more time online than Gen X, watch more online video and text message more often. Technology forms a major part of their entertainment and socializing. "*Gen Y is the audience that most companies are struggling to understand right now because it's key to their future revenue growth*," said Charles Golvin, principal analyst at Forrester Research.

Gen X, on the other hand, tends to use technologies that support their lifestyle needs such as online banking and online shopping. They have hectic lives, with careers and families, and embrace the convenience of digital. While the number of Gen X's reading blogs and using social media is rising, they still fall behind those younger than them. Another way to looking at the difference in data is lifestage. Youngsters are often less concerned with organizing their affairs, financial for example, have more spare time to spend online than perhaps a Gen X with a family and may have less disposable income.

Some Quick facts about Internet:

1. By 2010 Gen Y will outnumber Baby Boomers....96% of them have joined a social network
2. Social Media has overtaken porn as the #1 activity on the Web
3. 1 out of 8 couples married in the U.S. last year met via social media
4. Years to Reach 50 million Users: Radio (38 Years), TV (13 Years), Internet (4 Years), iPod (3 Years)...Facebook added 100 million users in less than 9 months...iPhone applications hit 1 billion in 9 months.
5. If Facebook were a country it would be the world's 4th largest between the United States and Indonesia (note that Facebook is now creeping up – recently announced 300 million users)
6. 1 in 6 higher education students are enrolled in online curriculum

7. 80% of Twitter usage is outside of Twitter...people update anywhere, anytime...imagine what that means for bad customer experiences?
8. Generation Y and Z consider e-mail passé...In 2009 Boston College stopped distributing e-mail addresses to incoming freshmen
9. Wikipedia has over 13 million articles...some studies show it's more accurate than Encyclopedia Britannica...78% of these articles are non-English
10. There are over 200,000,000 Blogs

LITERATURE REVIEW:

The increased size of the Web- “an estimated lower bound on the size of the Web is 320 million pages” (Lawrence & Giles,) - has led to increased search costs. More recent estimates put this number much higher. Targeting appropriate customers has been recognized early on as a core marketing principle (Smith, 1956), most targeting today can best be described as “targeting on averages.” The advertiser obtains the average profile of the consumer and chooses the match that matches target consumer profile most accurately. This leads to low targeting precision since not all consumers match the profile. Theoretically, direct marketing holds the promise of improving targeting. One-on-one marketing proposes thinking about a segment of size one (Peppers & Rogers, 1993, Pine, Victor & Boynton, 1993). Given the new capabilities of addressing each individual (Blattberg & Deighton, 1991) the goal is to customize the marketing mix in accordance with the needs of a consumer. Relationship marketing takes a long-term orientation in targeting as opposed to a short-term transactional orientation (Dwyer, Schurr & Oh, 1987; McKenna, 1991, Sheth & Parvatiyar, 1995). The idea is to understand the lifetime value of the customer and allocate resources in accordance with these values (Day, 2000). The emphasis is on retaining existing customers rather than on obtaining new ones (McGahan & Ghemawat, 1994). These techniques breed consumer cynicism (Fournier, Dobscha & Mick, 1998). This is especially a problem with the Internet because the marginal cost of sending an additional promotional message is nearly zero for the firm (Shiman, 1996).

When individuals search for information at various places, they are presented with hundreds of selections. Consumers will not go through all selections and are most likely to focus on the first few results. Hence, search-engine optimization has become an important research area (Bradlow & Schmittlein, 1999). However, due to heterogeneity in the algorithms used by search engines, it is not always possible for one's site to be featured in the top few. Therefore, it is clear that search engines alone will not help consumers find sites relevant to their needs. Increasingly, search engines tap into smaller and smaller fractions of the overall Web (Lawrence & Giles, 1998) with no engine capturing more than 16% of the Web content (Lawrence & Giles, 1999). Individuals may cope with the increased search costs by focusing on firm reputation (Choi, Stahl & Whinston, 1997, Chapter 6). For example, recently *The Economist* reported that 75% of all business to consumer e-commerce originates from five sites- Amazon.com, Buy.com, eBay, Yahoo and America Online (AOL). Hence, it is clear that these sites have established a reputation that is better than others. However, that does not necessarily ensure the delivery of relevant information since each of these sites contains a lot of information. Moreover, consumers may be interested in newer sites whose reputation may not be fully established. Despite the early promise detailed in pioneering research (Hoffman & Novak, 1997), the click-through rates have not improved. Average rates are in the 0.5% range. Banner advertising is also plagued with measurement problems. Getting a reliable estimate of the number of consumers who viewed a

banner is a big challenge (Dreze & Zufryden, 1998) and so is reliably identifying the top websites globally. Moreover, a recent eye-tracking study presents troublesome evidence that Internet users may “actually avoid looking at banner ads during their online activities” (Dreze & Hussherr, 1999,). If this is true, then placing banners around web content may be a poor way of delivering the message.

Even though permission marketing can be implemented in any direct medium, it has emerged as a serious idea only with the advent of the Internet. The two reasons for this are: (1) on the Internet, the cost of marketer-to-consumer communication is low (Hoffman & Novak, 1996; Shiman, 1996); (2) the Internet has enabled rapid feedback mechanisms due to instantaneous two-way communication (Hoffman & Novak, 1996). Another motivation for permission marketing on the Web has been the failure of the direct mail approach of sending unsolicited promotional messages. The prime example of this is unsolicited commercial e-mail or “Spam” (Cranor & LaMacchia, 1998). Senders of spam realize three things- the cost of obtaining a new e-mail address is minimal, the marginal cost of contacting an additional customer is nearly zero (Shiman, 1996) and it is easy to deceive the consumer. Spammers can easily obtain new e-mail addresses from websites and Usenet groups using software programs that “troll” the Internet. Individuals provide their addresses at these places for other purposes and hence, this violates their privacy rights (Bloom, Milne & Adler, 1994). In addition, marketers incur similar costs if they send out 1 million or 10 million e-mails. Moreover, there are now programs that enable the large-scale use of deceptive practices (e.g. forged e-mail headers). Due to these problems, Spam cannot be a legitimate form of marketing communication⁵. Using it would lead to an excessive message volume for consumers, weakening of brand reputation and a slowing of the entire network. Hence, permission marketing is seen as a feasible alternative for Internet marketing communication. Permission marketing is now a large-scale activity on the Internet. A leading Internet business periodical recently noted that, “permission marketing was once a niche business. Now, everybody is doing it.”

Milne and Gordon (1993) discuss the role of customer permission along with volume, targeting and compensation in the context of direct mail. However, their reference is to an individual's providing a direct marketer the permission to share his or her personal information with others. In other words, they see permission as a tool to establish privacy rights rather than to enhance targeting. Moreover, the privacy issue is different now since an infomediary (Hagel & Singer, 1999) retains all the personal information and supplies ads based on that information; the advertisers never see the information. Sheth, Sisodia and Sharma (2000) have proposed the concept of customer-centric marketing, which includes what they call co-creation marketing. Co-creation marketing envisions a system where marketers and consumers participate in shaping the marketing mix. In the authors' own words, “Co-creation marketing enables and empowers customers to aid in product creation (e.g., Gateway computers), pricing (e.g., priceline.com), distribution and fulfillment (e.g., GAP store or GAP online delivered to the house), and communication (e-mail systems)”(Sheth, Sisodia & Sharma 2000, p. 62). Hence, permission marketing can be viewed as focusing on the communication aspect of a larger concept called co-creation marketing. Gilmore and Pine II (1997) had also earlier identified collaboration between marketers and consumers as one form of one-on-one marketing. The direct marketing literature has also pointed out the importance of consumers controlling the terms of their relationship with marketers. Phelps, Nowak and Ferrell (2000) point out that individuals like to control “how personal information about them is used by marketers, the kinds of advertising mail and catalogs

that they receive and the volume of advertising mail they receive in this literature, direct mail is viewed as a social contract between the consumer and the marketer (Milne & Gordon, 1993). Moreover, there is recognition that what is necessary to improve direct marketing relationships is not just a reduction of privacy concerns of individuals, but rather an improvement in the consumer's trust of the marketer (Milne & Boza.).

Permission Marketing Business Models:

There are a large number of business models in permission marketing, yet a fully developed comprehensive model is elusive. The concept of business models is dependent on understanding of a very important concept as given below:

Permission Intensity: permission intensity is defined as the degree to which a consumer empowers a marketer in the context of a communicative relationship. High permission intensity is characterized by three factors: *high information quantity, high information quality and information usage flexibility*. First, an individual recognizes that providing detailed information is in his or her self-interest. As a result, the individual is willing to participate in an exchange of information for a promise of better service in the future (Godin, 1999; Milne & Gordon, 1993). Second, the consumer realizes that his or her life will be most enriched if he or she presents high-quality information (Godin, 1999; Keller & Staelin, 1987). Providing inaccurate information about preferences will only lead to messages of little interest and will increase clutter. In other words, the individual realizes that this is an incentive-compatible (i.e., win-win) program. Third, the consumer will participate in the exchange with few constraints on how that information can be used by the firm to develop marketing messages.

The tradeoff in permission marketing is with breadth vs. depth. In the breadth strategy, a firm may develop relationships with a large number of consumers with a low level of permission intensity. On the other hand, in the depth strategy, a firm may focus on a smaller set of consumers, but these consumers may provide detailed information about their preferences, values etc., i.e., high permission intensity. Each firm will have to find the optimal value of the number of customers and the level of permission intensity.

There exist four business models as shown in Figure 1.

Model 1: **Direct Relationship Maintenance Model**: this is characterized by low permission intensity, direct contact with advertiser and minimal targeting. This is seen as an additional service offered to customers to maintain a strong relationship.

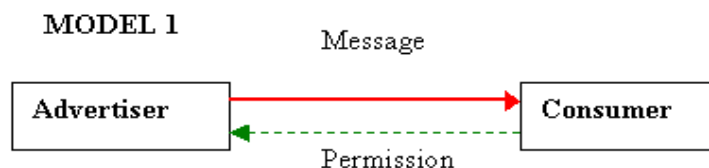


Fig. 1: Direct Relationship Maintenance Model

Model 2: **Permission Partnership Model**: Here, the consumer provides a portal or media site with the permission to send him or her promotional offers. After receiving this permission, the

intermediary alerts its partners who wish to send out promotional offers. All consumers signed on receive all offers. This is commonly used to increase traffic to websites. Hence, here we have low to medium permission intensity, contact through an intermediary and low targeting.

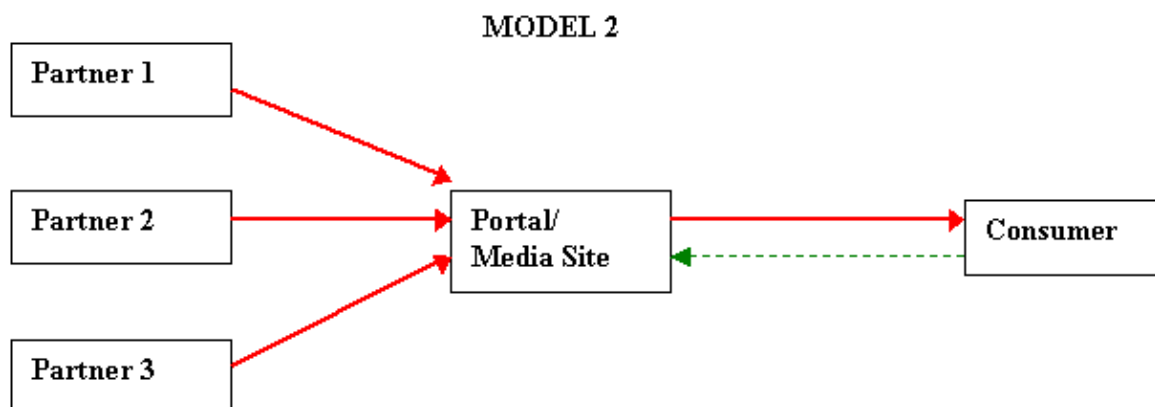


Fig. 2: Permission- Partnership Model

Model 3: **Ad Market Model:** A consumer provides an infomediary (Hagel & Singer, 1999) with detailed information about his or her preferences and interests. The infomediary then uses this information to identify advertisers. The ads supplied by these advertisers are then carefully targeted to be consistent with the consumer's tastes. Consumers win by reducing clutter and are paid to participate in the process, advertisers find target customers for their promotions with lower cost of targeting and the infomediary makes a profit by facilitating this exchange. Hence, here we have high permission intensity, contact through an infomediary and the potential for high targeting precision.

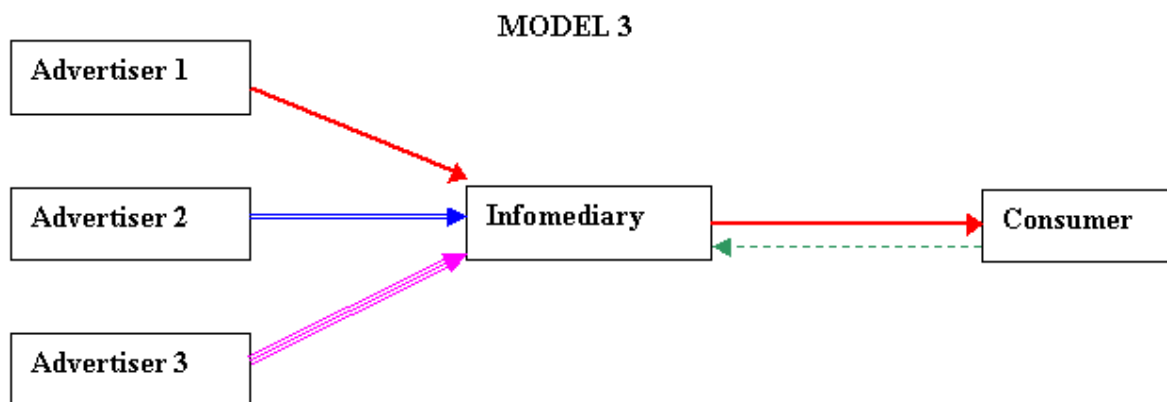


Fig. 3: Ad-Market Model

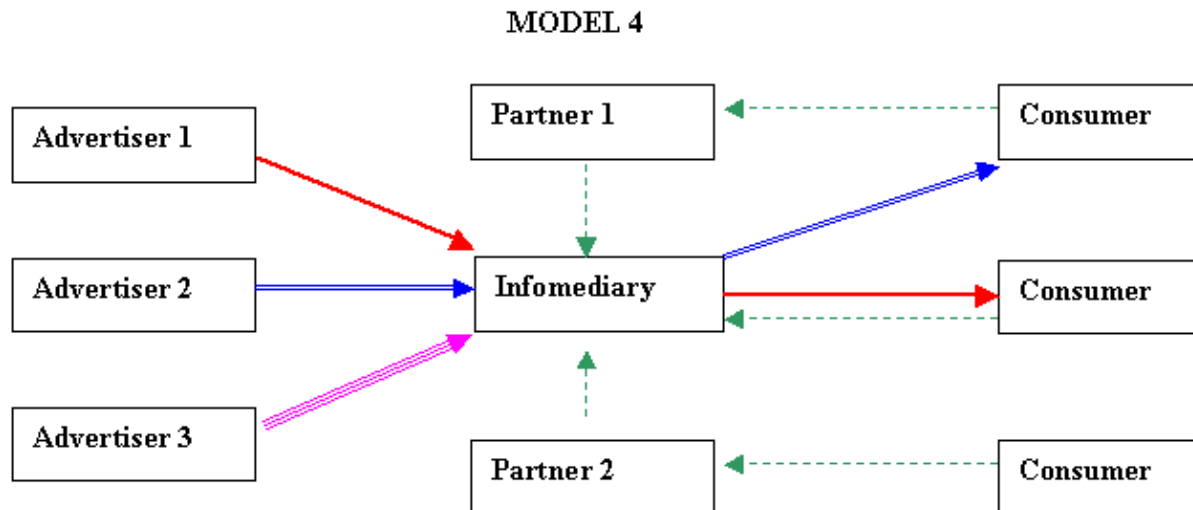


Fig. 4: Permission Pool Model

Model 4: **Permission Pool Model:** In this model, different consumers provide different firms with the permission to send them promotional offers. These firms pool the information provided by the consumer and then promotional messages are sent out targeting this larger pool. Examples of this practice include yesmail.com.

The difference between model 1 and the rest is that in the former, an individual firm directly transacts with its customers while in Model 2, an intermediary such as a portal plays this role and in Models 3 and 4, an infomediary matches consumer demand for ads with firm ad supply. Naturally, since it may be inefficient for a consumer to sign up with several firms in the manner of model 1, the other models are likely to be more common.

Permission Marketing: Cost-Benefit Conceptual Framework

An individual's level of interest in a permission marketing program is positively affected by the benefits from the program and negatively impacted by the costs. There are two potential benefits: *message relevance* and *monetary benefit*. The central tenet of permission marketing is consumer-initiated communication followed by an active two-way exchange. Even though exchange is considered to be the bedrock of marketing theory (Bagozzi, 1975; Houston & Gassenheimer, 1987), most exchange is initiated by the marketer. Hence, consumers may not perceive themselves as legitimate partners in a relationship (Fournier, Dobscha & Mick, 1998). Since consumers are required to provide detailed information continually in a permission-marketing program, they must perceive some value in the relationship if it is to be successful.

The managerial implications that can be derived from the Comprehensive Cost-Benefit Conceptual Framework are simple business sense- It aims at working to improve the benefits and reduce the costs so as to enhance the overall profits in business. But many managers refute this and believe that some costs should not be reduced. For example, some believe that if they made it very easy for an individual to obtain access to his or her personal information, he or she will simply opt-out of many categories. As a result, it should be difficult for people to access their information, only then will they value it. However, this is a fallacious and complexly misleading argument. If this is done, individuals will be locked into an informational scheme that

may be out of date. As a result, message relevance will decrease, leading to lack of interest and lower participation.

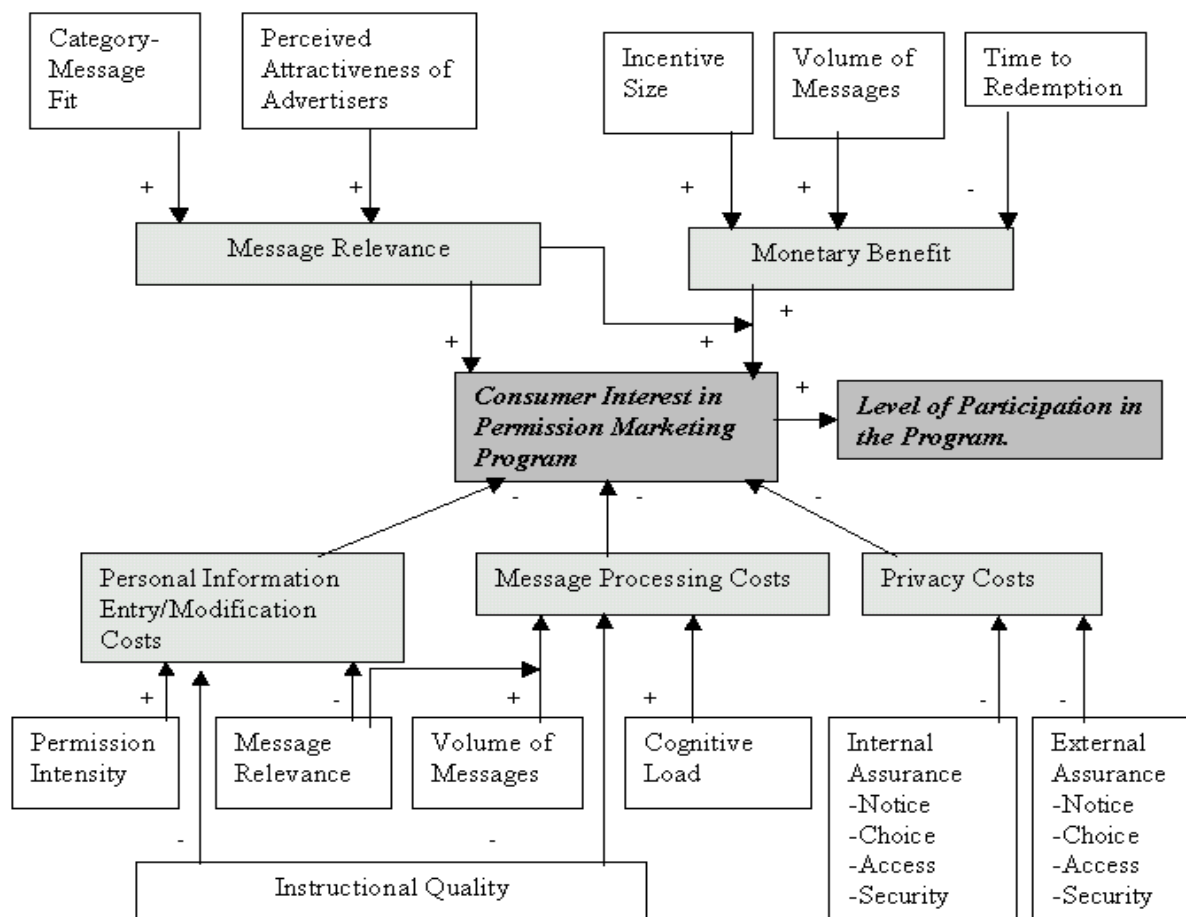


Fig. 5: Comprehensive Cost-Benefit Conceptual Framework

Source: A Comprehensive Cost-Benefit Conceptual Framework (A Comprehensive Analysis of Permission Marketing, Sandeep Krishnamurthy)

Godin identifies five levels of permission. From the lowest (i.e. least powerful) to the highest effectiveness, these are:

- 1. Situation Permission:** where the customer will allow the supplier to assist them by providing information or assisting with a transaction
- 2. Brand Trust:** where the customer allows the company to continue to supply their needs over time with only minimal 'shopping around' because they trust the brand
- 3. Personal Relationships:** here the customer's permission is granted because of a personal relationship that the customer has with somebody within the supplier organization
- 4. Points Permission:** at this level, customers have given the supplier organization permission to sell to them and collect data because they are rewarded with redeemable points or a chance to win a prize if they do so.

There are two variants of this permission level:

4 (a). The Points Liability Model: where every point has a real value to the consumer and a commensurate cost to the supplier (as in the airline's frequent flyer programs) and, the

4(b). Points Chance Model: where customers earn more chances to win a reward if they purchase more and/or yield more information to the supplier organization

5. Intravenous Permission: here the supplier has in a sense 'moved into' the customer's organization, and taken over the supply function for the particular product or service needed.

The key difference between permission marketing and previous ways of thinking about direct marketing is that consumers are asked to do much more in the former. Unlike, say, direct mail, where consumers simply respond to what they receive, in permission marketing consumers must take the time and make the effort to provide considerable information about interests and preferences before a single ad is sent out. At this stage, it is important to contrast the notions of *opt-in vs. opt-out*. Opt-in refers to the case when an individual explicitly gives consent to receive ads ahead of time. Opt-out refers to the case when a marketer initiates contact and then provides individuals an option of not receiving future messages. Hence, ***permission marketing is opt-in rather than opt-out***. However the traditional usage of these two terms is confusing. Opt-in refers to entry into a relationship and opt-out refers to exit. If the terms are viewed in this way, then permission marketing systems would be both opt-in and opt-out. In other words, we can say that the customers enter the agreement on their own free will or volition and are free to leave at any point of interaction. Permission marketing models allow for two kinds of exit or opt-out strategies: partial or complete. In partial opt-out, the consumer indicates that he or she wants to stop receiving advertisements in a sub-category. For example, this may occur when the consumer may have been interested in a category for a short period of time only but is no longer interested in it. New models now allow consumers to specify a date and time period, after which they will be automatically opted out of a category. Whereas in complete opt-out, the consumer decides to terminate a relationship with a particular marketer in all product or service categories and hence, will not receive any more promotional messages from the marketer.

In the end, a distinction must also be drawn between *overt targeting systems* such as permission marketing and *covert targeting mechanisms* the concealed or secretive marketing missions normally found in the market. In covert targeting mechanisms, cookies are used to track the surfing behavior of individuals and to serve up banner ads, e.g. Double click's DART system. Consumers are unaware of this tracking process. However, in over targeting systems such as permission marketing the consumer is an active participant in the targeting process.

Thus the comprehensive cost- benefit model proposes to capture the consumer's experience with permission-marketing programs. The aim to develop such a detailed conceptual framework is to attain a sufficiently high level of generality that would apply to all four existing business models described earlier. On basis of this framework shown in Figure 5, a series of empirically testable propositions can be drawn, showing the relationships of various factors. This comprehensive framework can act as a guide for future empirical research in the area. This conceptual framework describes the causal antecedents to a consumer's interest in a permission marketing program. Future research might focus on testing the various propositions that can be derived from this framework.

While it is true that permission marketing can improve the relevance of messages, consumers are asked to do more in comparison to previous direct marketing approaches. Consumer interest is determined by the net impact of benefits and costs. Several interesting issues also exist in the realm of inter-firm interaction in this area. An example is the nature of the contract. Permission marketing companies today charge advertisers on the basis of the number of consumers who will receive the message. This arrangement has been justified by claims of high conversion rates. However, in future it may give way to a pay-for-performance contract. The future success of ideas such as permission marketing will depend on the wisdom of managerial action. Only firms that will enhance benefits and reduce costs will survive in the long-run. Hence the crux of Permission Marketing is truly is 'Turning Strangers into Friends, and Friends into Customers'.

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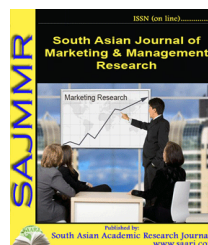
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South Asian Journal of Marketing & Management Research (SAJMMR)

(Double Blind Refereed & Reviewed International Journal)



DOI NUMBER: **10.5958/2249-877X.2019.00052.3**

TRADE POLICY & GENDER EQUALITY

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ABSTRACT

The purpose of this Research Paper is to present the links between gender equality and trade policy. The Paper provides a summary overview of key questions, concerns and policy recommendation about the links between trade policies and gender equality. This paper is worked out with the help of secondary data from various UN publications and websites. It reviews the evolution of the international debate on globalization, trade liberalization and their impacts on equitable development, the relevance of integrating gender perspectives in trade policy and discusses the implications of women's economic empowerment on trade and economic growth, addresses the potential of labor mobility as a tool for women's empowerment in the context of international migration and international trade in services. Because society places a low value on unpaid work and caring for others, such work remains at the core of gender discrimination. This "time poverty" contributes to perpetuating lower skill and educational levels for women and often limits their scope of employment to the informal economy, where paid and unpaid work can be more easily combined. In turn, higher levels of growth and productivity would expand employment opportunities and sustain livelihoods for all, men and women, giving them the same chances of benefiting from macro-economic policies. Trade policy, along with other macro-economic policies, was however perceived as being "gender neutral". They also face persistent occupational segregation and gender discrimination in wages. In Africa and South Asia, large employment differences remain between men and women, with women's employment being largely relegated to unpaid and vulnerable activities.

KEYWORDS: *Gender Equality, Globalization, Trade Policy, Labor mobility*

INTRODUCTION

Over the last two decades, trade policy in most countries has been geared towards trade liberalization and market opening. Under the precepts of the Washington Consensus prevailing in the 1990s, the assumption was that free trade, combined with liberalization of investments, a deregulation of the private sector and financial systems along with the privatization of public-owned enterprises and services would facilitate the process of sustained economic growth and the development of productive capacities. In turn, higher levels of growth and productivity would expand employment opportunities and sustain livelihoods for all, men and women, giving them the same chances of benefiting from macro-economic policies. Trade policy, along with other macro-economic policies, was however perceived as being "gender neutral".

Trade Policy and Gender Perspectives

• *The impact of trade policy on women's economic empowerment and well-being*

Women are generally more affected by the negative side effects of trade liberalization and are facing bigger challenges than men. The effect of trade policy on economic and social activities are different between men and women as they have different economic and social roles and different access to and control over resources, due to socio-cultural, political and economic factors. This situation is due to gender biases in education and training, gender inequalities in the distribution of income and command over resources, as well as unequal access to productive inputs such as credit, land, and technology.

Pre-existing gender imbalances at the macro, meso and micro levels determine the differential impact of trade on women and men, girls and boys. Such impacts can be best considered at the following levels of analysis: (a) the sector level, in which trade can augment or reduce employment and income opportunities for women, depending on whether the sectors where women work, expand or contract as a result of trade liberalization and import competition ;

(b) the governmental level, where fiscal revenues and public expenditures - modified by trade liberalization in accordance to the relative importance of tariff revenues in government financing - have an impact on public investments in social infrastructure and services that particularly benefit women, such as health, education, electricity, water, sanitation and other infrastructure to meet household needs; and (c) the household level, where expenditures may decrease or expand according to the effects of trade on consumer goods prices.

For example, trade liberalization may benefit poor consumers, including women in their role as family providers and caregivers, if price reductions (through the dismantling or the reduction of tariffs) affect imported products that represent a relevant part of the household consumption basket. On the other hand, trade liberalization can disrupt economic sectors and markets where women are active, depriving them of employment opportunities and pushing them towards the informal sector. Trade liberalization increases international competition. While this may bring more opportunities for individuals and firms, it also implies the need to grow and upgrade technologically, which may be particularly challenging for women employees and women-run enterprises with limited access to marketing networks, credit and technical knowledge. Trade-related changes in employment, taxation, public provision and consumption may in turn

have important consequences for the gender-related distribution of paid and unpaid work among household members, including children.

• ***The impact of gender inequalities on trade performance and economic growth***

There is conclusive evidence that economic development and social equality tend to go together. Studies on the determinants of economic growth suggest that societies where income inequality and gender discrimination are lower tend to grow faster. There seems to be a strong correlation between gender equality.

Gender equality can have a positive impact on economic growth of any country as it results in more human capital i.e. inclusion of women and girls in existing human capital. Recent evidence on the links between girls' improved education and economic growth has shown that enhanced gender equality increases the level of investments in a country. A more productive workforce, through greater gender equality in employment and education, increases the rates of return on investments and attracts more investors. In addition, the cases in which girls' education had the greatest impact on growth were in areas where (i) employment opportunities were readily available for women; (ii) countries had a sizeable export-focused manufacturing sector; and (iii) their economies had already reached the middle-income status.

Number of developing countries where industrialization is still at growing stage have focused their export strategy on labor-intensive goods which are produced by obviously cheap female workforces. While such a strategy stimulated profits, investment and exports in the short run, it is counter-productive on the longer run

• ***Gender-responsive trade policies***

There is a strong need to introduce gender perspectives into overall trade policy design and implementation which ultimately means assessing the impacts of such policy on the wellbeing of men and women, evaluating how trade policies affect gender relations, for example by widening or closing the gender wage gap, and formulating and implementing trade policy in a gender-sensitive manner.

As trade policies interact and are mutually affected by many other domestic policies and international factors, there is a need for overall coherence to make gender-responsive trade policies in order to achieve development goals and for this several coordinated and gender-sensitive policies are needed in areas such as fiscal policies, education, labor, training, innovation, financing etc.

• ***Women's employment trends***

Recent international trends have shown that women's share of labor force participation has increased. But women are still concentrated in labor markets and sectors that leave them in vulnerable employment with poor employment conditions and little or no social protection. They also face persistent occupational segregation and gender discrimination in wages. In Africa and South Asia, large employment differences remain between men and women, with women's employment being largely relegated to unpaid and vulnerable activities.

• ***Barriers to women's seizing employment opportunities related to trade***

Important structural barriers are preventing women to benefit from trade-orientation; these include:

- women and girls' limited access to education and skills,
- including in cutting-edge educational fields;
- discrimination against women in the control over economic and financial resources, productive assets and access to financial services; and
- women's limited access to new technologies for production, training, information and marketing.

Moreover, because of gender stereotypes, women are assumed to be better suited for certain types of work. Occupational segregation leaves women in lower-paying positions and provides them with limited upward mobility. This makes the development of specific skills more difficult and therefore tends to make women generally remain as low-wage earners in the pool of unskilled workers.

All this is coupled with the erroneous perception that women's income is supplementary rather than central to households' wellbeing. Gender stereotypes perpetuated through social norms assign women to unpaid social reproduction roles and functions, such as primary caregivers in the family and as those responsible for household chores, leaving women with very little time to improve their skills or seek new work opportunities. Because society places a low value on unpaid work and caring for others, such work remains at the core of gender discrimination. This "time poverty" contributes to perpetuating lower skill and educational levels for women and often limits their scope of employment to the informal economy, where paid and unpaid work can be more easily combined.

• ***Ensuring that trade policy promotes women workers' interests***

There are several ways of ensuring that workers in general – and women in particular – fully benefit from the employment opportunities arising from trade integration.

- The first is to ensure that the labor force especially women, acquire the skills sought by expanding sectors. The upgrading of workers skills, especially in non-traditional occupations and higher technologies, would allow them to climb up the ladder of value chains in manufacturing and services. This can be achieved through appropriate education policies and expanded access to technical training.
- The second is to eliminate the exploitation of workers and protect their labor rights through fully enforcing national legislation on labor standards and promoting decent working conditions. Any measure improving workers' skills, employment stability, working conditions, unemployment insurance and workers' benefits – such as paid leave, including parental leave and health care – is likely to greatly benefit women workers.
- Third, if women are to play a greater role in the global economy, then household responsibilities need to be more equally shared between women and men. Such policies should include more affordable and accessible childcare services.

Labour Mobility and Gender Equality: Migration and Trade in Services

• ***Recent trends in the migration of women***

In the last decades, the accelerated pace of economic integration brought forward by globalization has influenced both the number and profiles of women migrants around the world. Half of the international stock of migrants is women. The migration of women is gradually shifting from a family reunification trend to a more economically motivated strategy, in which

more and more women migrate autonomously to work abroad. The expansion of free-trade areas around the world has reinforced this pattern of female mobility and generated new challenges and opportunities for women around the globe.

The participation of women in migration flows depends greatly on their social roles, their autonomy, their access to resources, and the existing gender stratification of the labor market in a given country. Therefore, women face much harder burdens in migrating as well as in finding employment, compared to both men migrants and native women. They face the “double disadvantage” of being immigrants and female. Low-skilled or unskilled migrant women tend to find jobs in a limited number of occupations in the service sector, often shunned by national workers, with gender-associated roles such as cleaning and catering services, entertainment and care-giving. Relatively few women migrant workers are found in the agricultural sector, while there are many migrant workers in the textiles and garment industry. The marginalization of unskilled migrant women is often reflected in low-status jobs, low earnings, poor working conditions, lack of union representation and insecure contracts, often coupled with a precarious legal status. Skilled migrant women often go into welfare and social professions, including education and health care. Despite growing evidence about the gender-specific aspects of migration, most migration policies are not gender-responsive in either the sending or receiving countries. In the context of intensified mobility patterns and women’s migration, clandestine channels of migration are a major cause of concern. Irregular migration often takes place through human trafficking and smuggling networks, posing further risks for women as it also involves exploitation, violence, coercion and abuse of power. Human trafficking happens more often to women than men due to existing gender inequalities.

Migration influences gender relations, either entrenching inequalities and traditional roles, or challenging and changing them. This happens both when women migrate and men migrants leave their spouses behind.

• ***Gender implications of liberalization of trade in services***

Integrating into the global services economy is becoming crucial for the development prospects of many developing countries. Services play a central role in economic activity in virtually all countries of the world. Trade in services is a very dynamic sector in the global economy. In 2009, the share of services in world trade reached 21 per cent. Whereas ten years ago agriculture was the main employer of women globally, the services sector is now the first provider of jobs to women. In many developing countries, the more traditional, non-tradable, low-productivity services with reduced capital accumulation potential - such as small retail trade, restaurants, and personal services - are the ones accounting for the increasing share of services in GDP and in total employment, especially of women.

Professions where many women are employed, for instance health care or social work, fall in most countries into the category of “accredited” or “regulated” professions where mutual recognition of qualifications is of particular relevance. Measures that can facilitate the international temporary movement of service traders are as follows: (a) simplifying the granting of visas, work permits and licensing requirements; (b) enhancing temporary movement of lower-skilled workers; (c) eliminating or reducing economic needs tests and making them more transparent and predictable; and (d) facilitating recognition of professional qualifications, including work-based qualifications.

The Global Economic Crisis and its Impact on Trade and Gender Equality

The recent global economic crisis has had distinct impacts both on trade and gender disparities among countries. This crisis significantly affected the balance of payments of developing and developed countries alike and created severe financial instability worldwide. The contraction of world merchandise trade in 2008–2009 was sudden, deep, generalized and synchronous. The crisis affected the trade in services and in merchandises, differently. Fluctuations in services exports exhibited less synchronicity across countries, experienced lower magnitudes of decline, and recovered more completely.

Expansionary counter-cyclical policies such as fiscal stimulus packages and investments in large-scale social protection systems by many countries were important in fostering recovery, but the current improvement remains fragile and uneven. The return to growth is driven by developing countries, particularly emerging economies with strong demand, such as China and India, and the resurgence of world trade.

While the volume of exports of many emerging economies has already recovered to, or beyond, pre-crisis peaks, exports of developed countries have not yet seen a full recovery. Increased exchange-rate instability among major reserve currencies has however given rise to new trade tensions. There is a serious risk of competitive devaluations that could harm global trade growth, which until now, has been critical to the recovery of the world economy. Rising of oil and food prices may also jeopardize global recovery.

The decline in international trade in 2008-2009 has had direct negative repercussions on women employed in export-oriented industries, particularly in the textile and agriculture sectors. Women also tend to lose jobs first, due to their higher share of employment in part-time, low-skilled and temporary jobs.

Furthermore, women tend to have fewer reserves than men to shield themselves from the negative consequences of a drop in income, since their wages are lower than those of men.

The formal economy suffered the most severe blows in the crisis. The unemployment rate has been exceptionally high and is persisting in the recovery phase. While some workers employed in the formal sector were able to avail themselves of unemployment benefits, the high unemployment in the formal sector has forced many into the informal economy. Women in the informal economy of developing countries have encountered increasing competition from unemployed male wage workers moving in this often female-dominated sector, a factor which, combined with the decrease in global demand, has led to the demise of the weakest and poorest informal women-run businesses.

Despite clear signs of recovery, the need to strengthen social safety nets to help the most vulnerable groups of people is still pressing. Concerns exist that improved productivity during the recovery could also result in higher unemployment as companies' re-organize their production to save costs. These trends underline the need for policy responses to address the linkages between trade and employment, the increasing poverty and inequality within and between countries, and the disparities in economic opportunities between men and women.

Therefore, the economic recovery has to encompass a “human and gender- sensitive recovery” and a social protection component to restore lost jobs and income opportunities while strengthening social safety nets to help the most vulnerable groups of people, including women.

As the global economy emerges from the economic crisis, recognizing the gender distinct impacts of the crisis and incorporating gender considerations into all policy responses will ensure that both men and women are re-integrated into economic activity in more equal terms and equally benefit from the recovery. The social and economic benefits of inclusive economic growth dynamics will help to build stronger and more equitable societies and economies.

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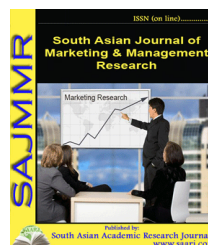
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South Asian Journal of Marketing & Management Research (SAJMMR)

(Double Blind Refereed & Reviewed International Journal)



DOI NUMBER: **10.5958/2249-877X.2019.00053.5**

IDENTIFYING THE DIMENSIONS OF CUSTOMER EXPERIENCE IN HOSPITALITY AND TOURISM INDUSTRY

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ABSTRACT

The present study aims to explore and evaluate the customer experience in the hospitality sector with a different chain of hotel brands in north India and how customer experience are varied at a different chain of hotels . The research instrument was used as a self administered questionnaire consisted of several rating scales to capture the study's main variables namely: customer experience, satisfaction and behavioural intention. 600 usable responses were received from the respondents. The four dimensions of customer experience i.e. education, entertainment, escapism and aesthetic were identified. The finding of the study leaves the implications for the hospitality marketers on the “entertainment” and “aesthetic aspect” as important dimensions of customer experience, and special assistance needed on the dimensions of the landscape, marketing and advertising campaigns, overall experience, meals and food offerings, interior design and architecture. The future study can be replicated with larger sample size after developing the richer scale of the customer experience. The various other categories of the hotel chain can also be taken and the significant difference in the performance levels of the customer experience can be determined so for doing the same the present study is laid the foundation in hospitality and tourism industry in Indian context.

KEYWORDS: *Experiential marketing, customer experience, satisfaction, behavioural intention, hospitality industry, Tourism Industry, India*

INTRODUCTION

The hospitality and tourism Industry has always been an industry in which the experience of the customer plays a big role in the success of the hotels and that is why the hotel practitioners are interested to know about it (Ford and Heaton, 2000). In order to keep track of competitors (or get ahead of them), hospitality businesses have to really focus on guests or customers' needs, wishes and desires make their hospitality service a true experience and get the repeat business in the modern hospitality Industry (Freund, 2003). The study of the customer experience and its relative impact on satisfaction and behavioural intention has a wider scope in hospitality and tourism industry. Several researchers have carried out the different studies in the fields of hospitality and tourism industry on tourists' experiences and satisfaction.

A common criticism of the Experience economy phenomenon has been the lack of tangible measures to capture its underlying dimensions (Carú and Cova, 2003). Realizing this limitation, Oh et al., (2007) empirically tested Pine and Gilmore's (1998) conceptual model using customers' lodging experiences with bed-and-breakfasts (B&B). In today's competitive climate, identifying, evaluating and managing the customers' experiences has become vital for effective positioning and differentiation. Therefore, a practical goal in this study of customers' experiences was to identify the dimensions of customer experience in hospitality and tourism industry. Overall, this research contributes to the experience literature by exploring and clarifying the essence and characteristics of the hospitality experience, drawing attention to the importance of experience in the hospitality industry, encouraging further in-depth discussion on the topic, and providing implications for future areas of research and industry applications.

REVIEW OF LITERATURE

The concept of customer experience was first recognized in the mid-1980s when the notion of consumption experience and hedonic consumption were discussed by Holbrook and Hirschman (1982). This approach offers a new perspective that explains consumption as a primary subjective state of consciousness with miscellaneous symbolic meanings, hedonic responses and aesthetic criteria (Holbrook and Hirschman, 1982). Subsequently, Havlena and Holbrook (1986) and Westbrook and Oliver (1991) emphasized the role of emotions in the consumption experience. Later, the same evaluation of experiential aspects was discussed by Mano and Oliver (1993). More recently, there has been an increasing tendency towards delivering a configuration of unique, rewarding, and fulfilling (URF) experience to gain a competitive advantage, particularly for those in the service sector. Thereafter, the existing economy is being described as 'the new experience economy' (Pine and Gilmore, 1999). There are so many authors focusing on emerging concepts of customer experience that were made in order to add value for companies and destination marketers in hospitality and tourism industry (Addis and Holbrook, 2001; Caru`and Cova, 2003; Forlizzi and Ford, 2000; LaSalle and Britton, 2003; Milligan and Smith, 2002; Ponson by-McCabe and Boyle, 2006; Prahalad and Ramaswamy, 2004; Shaw and Ivens, 2002; Schmitt, 1999; Schmitt, 2003; Smith and Wheeler, 2002).

It has been suggested that the world has moved to a new phase of economic development in hospitality and tourism industry. The new Economy, whether it is called an Attention economy, Emotion economy, Entertainment economy, a Dream society or Experience economy, uses Experiences as a means to differentiate brands of hospitality, tourism destinations and escape from the commoditization trap (Pine & Gilmore 1999, Schmitt, 2003, Pullman & Gross, 2003). Experience has been a substantial theme in tourism studies Since the 60's (Uriely, 2005). Despite

the copious amount of research on the subject, there is a problem in order to understand the tourist experience and its features (Page & Connell, 2006; Quan and Wang, 2003). The U.S. consumer price index (years 1913-1997) shows that experiences (in terms of admissions to recreational events such as movies, concept sports) will be able to increase the price of their offerings much faster than other commodities, goods and services (Pine and Gilmore 1999). It is seen that in traditional marketing approaches the focus on functional product attributes and quality are not sufficient (Schmitt, 2003; Gentile, Spiller and Noci, 2007).

The word experience has its origin and is derived from the Latin word “*experientia*”, meaning “knowledge gained by repeated trials” and is also related “to try, test” (Gelter 2006). Tourism and Hospitality experiences are created through a process of visiting, learning and enjoying activities in an environment away from home especially in the hospitality industry (Stramboulis and Skayannis, 2003). Experiences are generally internally produced and it is rightly said that the person creates his/her own experience based on his/her backgrounds, values, attitudes and beliefs brought to the situation (Knutson, et al, 2006). A number of theories attempted to explain various dimensions of experiences. Customer Experience is divided into four ‘realms’ of Experiences which are differentiated at two levels:

- i) The degree of customer involvement (passive vs. active participation); and
- ii) The desire with which the customer connects or engages with the event/performance (absorption vs. immersion).

The four types of experiences are entertainment (passive/absorption); educational (active/absorption); escapist (active/immersion); and aesthetic (passive/immersion) (Pine and Gilmore, 1998). The emergence of the experience economy has spawned a plethora of studies dedicated to the understanding of customer experiences (Addis and Holbrook, 2001; Carù and Cova, 2003; Poulsson and Kale, 2004; Chang and Chieng, 2006; Ponson by- McCabe and Boyle, 2006; Gentile et al, 2007).

Schmitt (1999) and Tsour et al, 2006) proposed five components of experiences: Sense, Feel, Think, Act, and Relate, four of which appear to be similar to Pine and Gilmore’s realms of experiences. Economy concepts, Sensory and Affective (Feel) experiences are intuitively similar to entertainment and aesthetics while the creative cognitive experiences in the Think component are similar in characteristics to education experiences. The Act component seems related to education and escapism. The final component of Schmitt’s taxonomy of experience characteristics, Relate, does not appear to be expressed in Pine and Gilmore’s experience realms. In developing a theory of touristic experiences, Aho (2001) suggested four core elements of experiences: emotional impression, informational effects or learning, practiced capacity building and transformational impacts. Emotional experiences were described as universal elements of tourism present in most Touristic Experiences.

In today’s competitive market place, the most effective marketing strategy manages the consumer’s tourism experience through all the stages outlined by Aho (2001) (Berry and Heckel, 2002 in Knutson et al, 2006). An emerging experience-based, consumption-driven society and the postmodernism movement have a major impact on contemporary consumers and businesses. Williams (2002, 2006) proposes that consumers utilize consumption to make statements about themselves, create identities, and develop a sense of belonging. Moreover, consumer motivations are driven by emotional and sensory elements of transaction experiences (Carbone, 1998). In this kind of consumption, products or services alone cannot satisfy customers. Abbott (1955) further

argues that what people really desire are not products, but satisfying experiences attained through various activities, for example, dining in restaurants, staying in hotels, or visiting travel destinations. Therefore, it is argued that providing the experiences consumers really desire is essential to managing the customer experience and maintaining competitive advantage in an experience-based economy (Morgan and Hemmington, 2008; Mossberg, 2007; Pine and Gilmore, 1998; Schmitt, 1999), especially for those in the hospitality industry. In the hospitality industry, experience is always an outcome of the consumption process whether the setting is comprised of tangible and/or intangible components. Moreover, experience is especially critical when there is a lack of tangible components. For example, after customers finish their consumption in hospitality businesses (e.g., hotels, restaurants, theme parks, cruises, casinos); they may leave empty handed but they always depart with their “experiences”. In this context, the importance of experience in the marketing mix has been recognized by a growing number of hospitality businesses and government institutions.

Technological innovations and a more sophisticated affluent and demanding consumer have escalated competitive pressures on the hospitality and tourism industry requiring a shift away from a focus on facilities and services to a focus on providing customized experiences (Knutson, Beck, Kim and Cha, 2006). Such a shift requires changes in operational methods and marketing strategies of tourist destinations and hospitality products and services (Erdly and Kesterson-Townes, 2003). Several European cities have repackaged their tourist attractions as experiences resulting in a differentiated product with higher economic value (Oh, Fiore and Jeoung 2007; Richards, 2001; Tscaur, et al., 2006). To meet the demands of the changing market place tourism and Hospitality enterprises must provide customized experiences that engage consumers in activities and experiences. In this context, the importance of experience in the marketing mix has been recognized by a growing number of hospitality businesses and government institutions.

Customer Behaviour or we can say their intentions are what the customer intends to do after a service encounter, including return, exit, switch, and engage in positive or negative word-of-mouth communications about the business (Anderson, 1998; Oliver, 1993). The expectation of a pleasurable and memorable experience is what motivates consumers to purchase products and services (Tsauro, Chiu, and Wang, 2006). The tourists make their own unique and memorable experiences; the industry provides the input for those experiences (Anderson, 2007). Consumers are willing to pay a premium for/ quality memorable experiences that transform them. In the future, it is the ability to create personal experiences to drive customer loyalty that will give companies a sustainable competitive advantage (McCole, 2004; Prahalad and Ramaswamy, 2004; Shaw and Ivens, 2005). Ultimately, creating a consistent customer experience becomes synonymous with the brand (Chang and Chieng, 2006). Consequently, an understanding of the nature of Hospitality and tourism experiences is critical to the financial success of hospitality and tourism products and services in the 21st century. The outcomes of this research can advance the body of knowledge of experience and experiential marketing, as a tool to modernize the hospitality industry. These outcomes will also benefit both managers and customers. The results will help managers improve their understanding of customer experiences and further develop effective marketing strategies, as well as allowing for managers and businesses to better realize what experiences customers actually desire. Businesses can stage environment and processes to maximize customers’ perceived experiential value.

Providing an outstanding customer experience will result in brand awareness, secure customer loyalty and ultimately increase profits. In a brief history of customer experience, it has been argued that the book of Pine and Gilmore (1999) *Experience Economy* is the origin of this nascent phenomenon ‘customer experience’, and the authors claimed that experiences are the new economic offerings (Pine and Gilmore, 1999). Professionals across many industries assume that there is a high correlation between customer experience and loyalty. Forrester (2009) examined the correlation between customer experience delivered by more than 100 US firms and the loyalty of their customers. The finding showed that customer experience is linked to willingness to purchase, reluctance to switch and likelihood to recommend firms across 12 industries (Temkin *et al.*, 2009).

METHODOLOGY

The researcher collected the data from both the primary as well as the secondary sources. The first part of the questionnaire contained demographic information like name, gender, education, and hotels visited, visit companions, etc. The second part of the questionnaire consisted of several rating scales to capture the study’s main variables namely: customer experience, satisfaction and behavioral intention. To identify the dimensions of customer experience, the experience scale by Oh, et al (2007) used with the addition of more item in hotel and tourism industry context after consulting the previous literature (Lin et al 2009). Rating for each statement were captured on a 7-point scale ranging from 1 “strongly disagree” to 7 “Strongly agree”. The geographical area for data collection was India and included cities like Jammu, Jalandhar, Ludhiana, Amritsar, Chandigarh and Delhi. The Information was collected from who had consumed services of varied chains of hotel industry located in these selected cities.

The survey was carried out between November to January 2012 with the help of the students who were doing their Industrial training and the staff of the hotels under study. 670 questionnaires were distributed among all four chains of hotels like Country Inn and Suites, ITC Maurya and Rivera, Taj hotels and Radisson hotels and all were star category hotels (4-5 stars). Customers were selected by using the convenience sampling method in the various public areas in hotels like at the reception, restaurants; bars, swimming pool and few of the questionnaires were dropped into the guest rooms and received back. Only 600 respondents agreed to participate and returned the filled questionnaires without any missing responses.

SPSS 17.0 and Amos 16.0 were used to analyse the data. Descriptive statistics like Frequency, Mean and percentage were applied to analyse the demographic Information of customers. “Cronbach alpha” values were deduced to ensure the consistency of the measurement scales.

RESULTS AND DISCUSSIONS

The total sample size of the present study was 600 which were collected from the varied star category hotels ranging from the four stars to five stars. The demographic information of the sample provides information that the majority of the customers were male (n=414, 69%) and female (n=186; 31%). In terms of age 16% (n=96) of respondents were between 20 – 30 years, 38% (n=228) were between 31-40 years age, 30% (n=180) were between 41-50 and 11% (n=66) were between 51 -60 and 5% (n=30) were above 60. Number of times the Hotel’s were visited by the customers in a month were 1-2 times (n= 150; 25%), 3-4 times (n= 126; 21%) and more than 4 times (n= 132; 22%). About the nationality of the respondents, the majority of respondents were Indian, followed by the USA, UK, Canada, Russia, Chinese and Japanese.

The majority of the respondents traveled along with their families (49%) followed by friends (42 %) and rest with partners.

In order to identify the dimensions of customer experience, the factor analysis was applied with varimax rotation method refer Table number 1. In order to measure sampling adequacy Bartlett's Test of Sphericity was checked and the Kiaser - Meyer – Olkin (KMO) measure of sampling adequacy was .81 which was regarded as “Meritorious” and therefore suitable for running the factor analysis (George & Malley 2000). Analysis of the correlation matrix for this study showed that the test value was large (10951.303) and p-value low (0.000), which implied that the data set was appropriate for factor analysis. Reliability estimates were used to test the consistency of the measurement scales. Co-efficient alpha was 0.82 for education, 0.77 for entertainment; 0.94 for aesthetic; and 0.87 for escapism. All alpha scores were above the recommended 0.70 points and indicate that the scales were reliable (Churchill, 1979).

The four factors those were extracted by applying the factor analysis were

Factor 1: Aesthetic experience : This factor had highest factor loadings on the variables like *“The character of this hotel is unique, The hotel is in an area where I felt safe and secure to walk around, The facilities of this hotel are reliable, This hotel was as quite I wanted it to be, This hotel reflects an environment itself, I felt a really sense of harmony, .It was pleasant just being here, The setting of the hotel pays close attention to design details and The facilities of this hotel are well maintained”*(Refer table no 1). This factor explained the 30.69% of total variance. The mean values of the variables of this factor range from 4.58 to 5.08. This means that respondents somewhat agreed on these variables.

Factor 2: Escapism: This factor had highest factor loadings on the variables like *“I felt like I was at different time or place, I completely escaped from the reality, escaped from the daily routine, I felt I was in different world, when I stayed this hotel, I feel I am someone special* and explained the 15.80% of total variance (refer table no 1). The mean ranges from 4.44 to 4.65 it means that the respondents somewhat agreed on the variable of this factor.

Factor 3: Entertainment. This factor has highest factor loadings on the variable like *“Activities of others were fun to watch, The entertainment was attractive, what others did was interesting to watch, I really enjoyed watching what others were doing”* and explained the 11.83 (refer table no 1).The mean values range from 4.91 to 4.97 that means all the respondents are having a tendency towards somewhat agree rather than neutral response which should be generally avoided in order to get the best results.

Factor 4 Education: This factor or dimension consisted of the variables like *“It stimulates to me learn new things, It was really learning experience, I learned a lot here and the experience has made me more knowledge.* The mean values of these variables range from the 3.78 to 4.34 that give the idea that the respondents did not agree on most of the items (refer table no 1). So out of the four factors the aesthetic dimensions of the customer experience is very important than other dimensions of customer experience.

TABLE NO1 EXPLORATORY FACTOR ANALYSIS

Factor(s)	Alpha	Factor loading	Eigen values	Variance Explained (%)	Mean values
Factor 1 : Aesthetic					
1.The character of this hotel is unique		865			4.67
2. The hotel is in area where I felt safe and secure to walk around		.859			4.58
3. The facilities of this hotel are reliable		.851			4.62
4. This hotel was as quite I wanted it to be		.840			4.74
5. This hotel reflects environment itself		.816			4.84
6. I felt a really sense of harmony	0.94	.805	8.670	30.69	4.93
7.It was pleasant just being here		.778			5.08
8. The setting of the hotel pays close attention to design details.		.762			4.77
9.The facilities of this hotel are well maintained		.727			4.91
Overall mean					4.79
Factor 2 Escapism	0.87				
1.I felt like I was different time or place		.855		15.808	4.58
2. I completely escaped from the reality		.831			4.44
3. Escaped from the daily routine		.821	3.574		4.44
4. I felt I was in different world		.700			4.74
5. When I stayed this hotel I feel I am someone special		.587			4.65
Overall mean					4.57
Factor 3. Entertainment					
1.Activities of others were fun to watch		.894		14.064	4.97
2.The entertainment was attractive	0.77	.862			4.94
3. What others did was interesting to watch		.854	2.081		4.94
4. I really enjoyed watching what others were doing		.838			4.91
Overall mean					4.94
Factor 4. Education	0.82				
1.It stimulate to me learn new things		.847s		11.83	4.10
2.It was really learning experience		.799			4.34
3.I learned a lot here		.718	1.603		3.89
4. The experience has made me more knowledge		.624			3.78
Overall mean					4.02
Total variance Explained				72.404	

**Note: four items were deleted due to the low factor loadings*

The respondents indicated (mean values) that they agreed on overall service quality (5.16), amenities and facilities (5.05), overall food and beverage service quality provided by the hotels (5.23), and this also can be seen from the mean values (5.18) that the respondents overall experience was good and they were well satisfied with the recreational experience as well. The respondents were also checked on co native perceptions like recommending the particular chain to others, likely to stay and say positive things about the chain of hotels. The mean values ranges from 4.65 to 5.25 indicted from the table no 2 that they would say positive things or recommend the hotels services and hotel chain to their friends and relatives.

SUMMARY AND CONCLUSION

The researchers in the present study tried to identify the dimensions of customers' experience in hospitality and tourism industry. The respondents from the hotels were selected by using the convenience method of sampling. There were six hundred respondents who agreed to participate in the survey. The geographical area was restricted to North India and covered the cities like Jammu, Jalandhar, Chandhigarh, Ludhiana, and Delhi.

By applying the exploratory factor analysis the four dimensions of customer experience were identified like aesthetic, escapism, entertainment and education. The performance on the levels of customer experience (refer table no 1) can be seen from the mean values, the lowest value of education (4.02) as a dimension of customer experience and highest value of entertainment (4.94) and followed by the aesthetic dimensions of customer experience. Hypotheses were tested and all the hypotheses were accepted. It was found that customer experience influences positively satisfaction and behavioural intention as well and there exists a significant difference in terms of dimensions of the customer experience among the selected hotel customers. The respondents were rated "somewhat agree" on all the satisfaction variables of the survey and behavioural intention.

So the finding of the study leaves the implications for the hospitality marketers on the "entertainment" and "aesthetic aspect" as important dimensions of customer experience. The various educational programs or events, conferences, game shows should be conducted in order to make them more knowledgeable. The specific aspects where assistance was needed on the dimensions of aesthetic were dimensions of the landscape, marketing and advertising campaigns, overall experience, meals and food offerings, interior design and architecture. Hotel chains could concentrate more on these to attract and satisfy customers in a better way.

The Future studies may develop richer measurement items to tap the customer experience and component of an escape travel, entertainment, education and escapism in the hospitality industry. Future studies can be carried out by comparing the star category hotels in Indian context. Research also can be done to know the gap between the customers' perceptions and or by studying the feedback from the industry owners and practitioners on the various priorities undertaken so it will be helping to them in designing the real authentic experience and make them memorable. With larger number of the sample size and various cross cultural dimensions aspects can be considered while doing the future studies in order to measure the customer experience levels in the hospitality and tourism Industry.

ACKNOWLEDGEMENT

The researcher acknowledged to the University Grant Commission for encouraging and awarding Junior Research Fellowship in order to carry out his research (Ph.D) and the present study is the contribution out of the researcher's study (Ph.D)

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