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# REVELATION

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# IMPACT OF WITHDRAWAL OF FOREIGN INSTITUTIONAL INVESTOR ON INDIAN FINANCIAL MARKET

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### **Abstract**

*A Foreign Institutional Investor (FII) is an investor that invests in a country's financial markets, but is not registered or based in that country. Foreign Institutional Investor can be mutual funds, insurance companies, pension funds, investment banks, hedge funds, and more. Investment from them is basically through FPI and FDI. FDI is often a long-term investment that aims to establish lasting business interests. FPI is typically a short- to medium-term investment that focuses on quick financial returns. FPI investors don't have active management or control over the businesses they invest in. Foreign Institutional Investors can lead to sudden price fluctuations through their sudden purchases or sell-offs. Foreign Institutional Investor have a major impact on stock market volatility in India. When Foreign Institutional Investors increase investments, the market index rises, and when they decrease their investments, the index tends to fall.*

*IForeign Institutional Investors (FIIs) were permitted to invest in financial instruments of India since 14th September, 1992. Since then Indian financial markets have changed significantly in its depth, size and character.*

*Foreign Institutional Investors (FII) channels through which developing country gets access to foreign currency. It also helps them to increase in their foreign exchange reserve.*

**Keywords:** *Foreign Institutional Investors, price fluctuations, financial instruments, foreign currency, foreign exchange reserve.*

## **1. Introduction**

A Foreign Institutional Investor (FII) is an investor that invests in a country's financial markets, but is not registered or based in that country. Foreign Institutional Investor can be mutual funds, insurance companies, pension funds, investment banks, hedge funds, and more. Investment from them is basically through FPI and FDI. FDI is often a long-term investment that aims to establish lasting business interests. FPI is typically a short-to medium-term investment that focuses on quick financial returns. FPI investors don't have active management or control over the businesses they invest in.

Foreign Institutional Investors can lead to sudden price fluctuations through their sudden purchases or sell-offs. Foreign Institutional Investor have a major impact on stock market volatility in India. When Foreign Institutional Investors increase investments, the market index rises, and when they decrease their investments, the index tends to fall.

Foreign Institutional Investors (FIIs) were permitted to invest in financial instruments of India since 14th September, 1992. Since then Indian financial markets have changed significantly in its depth, size and character.

Foreign Institutional Investors (FII) channels through which developing country gets access to foreign currency. It also helps them to increase in their foreign exchange reserve.

## **2. Objectives**

- 1.** To find the impact of Foreign Institutional Investor on stock market of India.
- 2.** To analyse why Foreign Institutional Investor are pulling out their investment from India.
- 3.** To gauge into the impact of funds pulled out by Foreign Institutional Investor on stock market.
- 4.** To find out impact on retail investors.

## **3. Hypothesis**

- **Significant down trend in market:**

The withdrawal of Foreign Institutional Investor's investments creates a downward pressure on Indian markets which leads to significant fall in stock prices.

- **Increase in volatility:**

There is large-scale selling which can overwhelm the buy-side demand of the market, causing sharp declines in prices. This can lead to a domino effect where

domestic retail investors also start selling, this further increases market volatility in short term.

- **Currency Depreciation:**

when Foreign Institutional Investors start selling from Indian market rupee gets converted to dollars, which leads to increase in the demand of Dollar and decrease in demand of rupees which creates significant fall in rupee in comparison to dollar.

- **Uncertainty in stock market:**

The withdrawal of Foreign Institutional Investor's money hampers the investor sentiments which causes uncertainty in market.

- **Short term effect:**

The effects such as Increased volatility, Currency depreciation, uncertainty and downtrend have a short term effect and no long term issues are witnessed.

#### **4. Literature Review**

Foreign Institutional Investors play an important role in the stock market by increasing liquidity, enhancing price discovery, influencing market sentiments, and adding to economic growth. However, their activities can also introduce volatility and expose the market to global economic and financial risks.

Foreign Institutional Investors (FIIs) have a profound impact on the Indian stock market.

1. **Economic Growth:** Foreign Institutional Investor's investments are often directed towards industries with high growth potential, fostering economic development. They can help in the expansion of businesses, job creation, and overall economic growth. However, reliance on Foreign Institutional Investor flows also makes the economy vulnerable to global financial shocks and changes in investor sentiment.
2. **Market Liquidity:** Foreign Institutional Investors trade in large quantities which creates higher liquidity which help other investors to buy and sell their shares easily and contribute to significant rise in the trading volumes on Indian stock exchanges. Whereas selling in large number by the foreign investors can cause a sharp fall in liquidity.
3. **Market Sentiment:** Foreign Institutional Investor's buying and selling activities are closely monitored by domestic investors, and their actions can greatly affect market sentiments. Positive inflows from Foreign Institutional Investors are generally seen as a positive move in the Indian economy and markets, leading to bullish sentiment



and higher prices. Conversely, large-scale Foreign Investment selling can lead to negative sentiment and market falls down.

4. **Capital Inflows and Outflows:** Foreign Institutional Investor's investments bring in foreign capital, which is crucial for financing the current account deficit in and supporting the Indian Rupee. Foreign institutional investors investments in India increases the foreign exchange reserve and helps to stabilise Indian Rupee against Dollar whereas when Foreign Institutional Investors withdraws their investment from India it leads to decrease in the foreign exchange reserve which leads to significant fall in Rupee.
5. **Market Volatility:** While Foreign Institutional Investors contribute to market liquidity and efficiency, their actions can also increase market volatility. Large-scale buying or selling by Foreign Institutional Investors can lead to sharp movements in stock prices and market indices. Events such as changes in global interest rates, geopolitical developments, or economic data releases can trigger significant Foreign Investors inflows or outflows, leading to heightened volatility.
6. Foreign Institutional Investor are withdrawing their investments from India because currently Indian market is trading at expensive valuation compared to other markets. Price to Earnings ratio of Indian markets is 23.98 whereas the average world Price to Earnings Ratio is 21.50. This shows that there are better opportunities in other countries compared to India which has led to the selling of shares by Foreign Investors.
7. Currently Foreign Investors are withdrawing their funds from India because of Slip in GDP growth of 5.4% to as compared to first quarter recorded at 6.7% as on 2024. Additionally, there was a rise in inflation which led to tightening of monetary policy.
8. "China Stimulus" boosts the economy of China by rate cuts of reserve requirement ratio by 50bps which led to banks' lending out more money. This increased the liquidity in china's economy and thereby can add liquidity up to 140 billion USD in economy. This might boost Chinese stock market and can give better short term returns as compared to India.
9. Due to uncertainties and Geopolitical Tensions Foreign Investors prefer a safe investment like US Bonds. Positive changes in US monetary policy stabilised their economy leading to strengthening of dollar that helped investors to get better yield. This led to withdrawal of Foreign Investor's capital.

10. A strong Foreign Institutional Investor outflow has resulted to a unpredictable flow in stock market which has created concern among retail investors. This sell off has increased the volatility as the investors reacted to their sell offs.
11. All these resulted in increase of sell volume particularly in blue chip and large cap companies where Foreign Investors have a large stake, selling of those stocks creates downward pressure and a sharp decline in stock prices. Large Foreign Institutional Investor's sell off led to reduced liquidity in stock market making it harder for domestic investors to buy or sell in large quantity without affecting the prices.

## **5. Methodology**

This study is based on secondary data collected from various reports, and surveys related to Financial Markets in India. The data has been used to assess the impact of Foreign Institutional Investors, with a focus on the Short term effects Indian Financial Markets.

Additionally, the study evaluates the impact of Foreign Institutional Investors on trends in stock market, currency depreciation and volatility in market.

## **6. Findings and Result.**

1. India was the best investment for Foreign Institutional Investor during post covid times because of its economic growth which was better than that of other countries and valuation was fair. There was no significant correction post Covid, so in 2024 market was overvalued in quarter three as financial result of the companies of quarter two was poor and there was better opportunity for investment in countries like USA and China.
2. Massive selling caused by over valuation of market caused an increase in volatility in the stock market.
3. As institutional investors have the advantage of performing better compared to individual investor, a higher institutional stake in any company is regarded as a positive sign for any stock. Foreign Institutional Investor had a big stake in blue-chip stocks and large cap companies which led to a significant down fall due to massive selling by the Foreign Institutional Investors which caused a panic situation among domestic investors which led to further fall in stock prices.

4. Since there was a mass level selling from Foreign Institutional Investors and now that after selling, there has been a corrective move in stock market this will be followed by a fair valuation in the market which was previously overvalued.
5. A strong Foreign Institutional Investors selling force resulted in an unpredictable flow in stock market which has created concern among domestic investors. This sell off has increased the volatility as the investors reacted to foreign investors' sell offs causing an immense unpredictability in the stock market.
6. Large Foreign Institutional Investor sell off led to reduced liquidity in stock market making it harder for domestic investors to buy or sell in large quantity without affecting the prices.
7. Foreign institutional investors usually influence the market sentiments. When Foreign Institutional Investors invest their money in any market, that creates a positive sign of confidence leading to a bullish market. On the other hand, when Foreign Institutional Investors withdraw their investments it creates a negative impact that portrays a weak economy with bearish sentiment.
8. Times in recent times, geopolitical tension is high which causes instability in an economy and Foreign Institutional Investors tend to shift to a safer and more stable economy which can deliver better short term returns like China and USA.
9. Foreign Institutional Investors outflow frequently cause market volatility as investors shift their funds to more stable currencies. This has an influence on global markets, particularly in nations such as India where foreign investor shifting to other nation's market devaluates the Indian currency.

## **7. Conclusion**

In conclusion Foreign Institutional Investors (FIIs) has been having a impact on India's stock market for many years. However, in recent times, there has been a trend of Foreign Institutional Investor outflows from the Indian market in past some time. This has raised concerns about the impact on Indian equities.

India's increasing impact in global indices has been noticed as India has emerged as a attractive investment platform. This shift in investor sentiment is evident in the increasing allocation of funds to Indian equities. Although recent times has shown us the impact Foreign investments can have on stock market. A significant downtrend has been noticed due to shift of investor sentiments.

However, it is short-term shift, influenced by factors like the US election outcome, geopolitical tensions, and global central bank policies while a few others.

Foreign Institutional Investor selling has led to high volatility, hampered market sentiments, reduced liquidity in short term due to Foreign Institutional investors shifting to USA and Chinese markets in search of stable and better short term returns. However, low stock prices, which has created attractive buying opportunity for long-term investors. High-quality stocks are trading at discounted prices, allowing investors to acquire shares at a fair valuation which otherwise had become overvalued. This is especially beneficial for domestic investors.

Despite facing inflation and global economic uncertainty, India's long-term growth story remains compelling which when reformed will make Indian Stock market a better alternative than it currently is.

## **8. Suggestion**

- **Economic measures:**

A corrective measure would be to ensure that economic and financial policies are in favour and promote industries to progress. These changes in regulations and policies would promote various sectors to perform better and increase the ease of doing business, thus making stock market a good place for foreign investors, thereby getting more investments. This would make the foreign investors choose emerging markets like India be a suitable choice.

- **Tax reforms:**

Another suggestive measure would be to create stability in tax regulations thereby reasonably reducing the tax rate on capital gains and make Indian markets more attractive. A reasonable tax on gains would attract more investors especially Foreign Institutional Investors as they get a better platform for investing. This would thereby increase the capital flow in economy causing strengthening of not only stock markets but also the whole economy as a whole.

- **Geopolitical stability:**

A geopolitically stable country tackles instability in stock markets. Improving geopolitical stability would make stock markets relatively more stable and reduce vulnerability of conflicts and their effect on stock market. This would lead to Indian markets being a safe place to invest even during unpredictable times in comparison to other markets thereby making Indian stock markets a stable investment platform.

- **Quarterly results:**

Companies should look forward to improve their results on a quarterly basis as this has a great impact on investors especially Foreign Investors. A good and progressive result will build trust among investors causing more investors to invest in capital thereby increasing capital flow in stock markets.

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**A STUDY OF RELEVANCE OF CONSTANT SKILL  
DEVELOPMENT IN EMPLOYABILITY MARKET WITH  
SPECIAL EMPHASIS ON COMMERCE GRADUATES**

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**ABSTRACT**

*In this rapidly growing industrial world, it is difficult to find a job or even a person who has a job, it's difficult to secure it for a long time. This is because of that candidates don't grow themselves according to this growing industry. It's a need for constant skill development to get a job or even to secure a job. These skills can be developed with the help of professional certifications and course. Skill development brought a huge revolution in India. With the idea of skill development, there are a lot of opportunities for people to develop and improve their skills. The goal of organizations hiring team is to obtain up to date skilled employee, who are in line with market demands. Employment chances of a candidate increases when their skills are carried out. In this study, we examine the types of skill-development programs that students as well as existing employees can choose from. This study will assist students in determining how they can obtain employment after having certain skill development. This study is done to explore the connection between students' employability possibilities with skill development.*

**Keywords:** *Skill development, Employability, market demand*

**INTRODUCTION**

With the growing population and economy there is also need for vast number of jobs for the competent graduates. There is demand for skilled employees yet there is no match for these skills. This maybe because of constant growth of industrial world which requires constant development in skills. Skills are essential to secure a job and

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also to have an improvement at the workplace. Having an up-to-date approach towards a job will not only help a person to secure a job but also to increase the position in the organization.

When a candidate has certain skilled courses certifications along with their graduation degree makes a great impact on the resume as well as protects the job at the workplace, that's why in today's world degree doesn't matter as much as the skills do.

Any skill development program's success depends on the opportunities that are available which also includes the joint efforts of educational institutions, industries, government agencies, and non-governmental organizations. While educational institutions are important in creating an environment for learning, they have to change their courses of study to meet the changing demands of industries.

By providing internships, apprenticeships, and opportunities, industries also play a vital role in skill development. The participation of industries improves employability by ensuring that the skills taught are appropriate to market demands.

### **OBJECTIVES OF THE STUDY**

- To study the relevance of skill development in employability market.
- To study the importance of skill development for an individual working in organization.
- To study the importance of skill development to enhance and acquire the new abilities, knowledge, skills for a commerce graduate.
- To help individuals to know about skill demanded by the industries and to meet the expectations of the industries.
- To study the impact of skill development on the workforce.

### **WHAT IS SKILL DEVELOPMENT?**

According to, The International Labour Organization (ILO), “the process of acquiring skills, knowledge, and attitudes to perform a job effectively”. Effective skill development programs not only increase employment opportunities but also increases the knowledge and skills of a candidate who is looking for a job or even to the already existing employees. Skill development is the process of improving and acquiring new abilities, advanced skill sets, and knowledge that improve an individual's performance and versatility in various tasks in the employability market as well as in the organization. It involves aimed training and education to prepare this candidates to

meet the demands of the organization, by giving them with practical and job-related skills as well as broader soft skills like teamwork, communication, problem-solving capability, and leadership.

### **IMPORTANCE OF SKILL DEVELOPMENT IN EMPLOYABILITY MARKET**

Skill development is important for youth employment because it reduce the gap between formal education and real-world job requirements which makes candidates more employable and competitive in the employability market. Here's why constant skill development is important:

#### **1. Increase earning potential-**

During the process of hiring, the individuals with certifications can negotiate for better salary packages, and they also get the negotiated packages because they bring a professionalism in the organization. This candidate with certifications brings an additional value to the company, because of their additional value companies sometimes offer them incentives or bonuses or give some higher salaries than other employees.

#### **2. Skill Enhancement-**

In this rapidly growing technological world, having a suitable skill set to match this fast- changing world will help any employee to survive in this competition. Having the skills that are innovative, adaptable in this changing world will make the candidate more valuable in the organization.

#### **3. Career Advancement –**

Having specialized skills makes a candidate stand out in this competitive employability market as well as the companies gives priority to those who have this up-to-date skill set which match today's fast-changing world demand. Continuously developing this skill will help to adapt the technologically changing world and will also protect the career from being demolished.

#### **4. Increase Job Opportunities-**

Industries nowadays looks for employees with latest skills which match the trends of the industrial world. In the growing areas like Fintech, AIML, Data science having the skill set which matches this area will help to increase the employability in market. Having a graduate degree with the certifications which helps in constant development in skills will make a candidate stronger than others.



**5. Fostering Entrepreneurship through training:**

In addition to focusing on jobs, skill development gives young people the ability to start their own businesses and firms or sometimes free lancing along with the job. When a candidate has the proper knowledge and up to date skill set, such as finance, data analysis, management, technical skills and many more helps in building a business in any field and grow in career as well as by helping to create employment opportunities.

**6. Job Security –**

Due to constant advancements in the industrial world, constant skill development ensures that a candidates are aligned with this changes this will protects the employees from being replaced by up-to-date individuals. An employee with updated skills can grow rapidly making him essential in the company. Having expertise in multiple areas helps in increase the employability. Constant development of skills will help a candidate to show that they are committed to their role in the organization making them not replaced by any other employee.

**7. Boosting Confidence and Productivity-**

Skill development plays a crucial role in enhancing the confidence of candidates as it provides them with abilities and knowledge which is important in their career. When a candidate know that he has a proper skill set for a job, it boosts up his confidence. Skill development is a way of increasing productivity at the workplace, making the individual work efficiently with right skills. Ultimately, when a candidate gains the confidence by developing the skills it also increases the productivity. This combination of confidence and productivity helps in growing the career.

**RECENT TRENDS IN INDUSTRIAL SECTOR****1. Artificial Intelligence and Machine Learning –**

Artificial Intelligence and Machine Learning has made a significant difference in today's employability market. AIML reduces the work of a human and gives the best result in lesser time. A person having the skills related to AIML are in high demand nowadays, the average salary after doing AIML in India is 11 lakhs per annum. Nowadays companies look for this skills and the preference is given first to the candidates having AIML certifications.

**2. Fintech –**

The word fintech is a combination of a word ‘financial’ and ‘technology’. It is nothing but use of technology in financial services. Fintech is useful in financial sector as well as in banking sector, financial institution sector, insurance sector. Having a certification of Block chain in fintech helps an individual to enhance his credibility in job applications and get a higher package because fintech is growing rapidly and having a certification of as it helps candidate stand out and organization will be willingly want to make them employee in their organization.

**3. Data Science –**

Data science is in demand by the banking, financial and healthcare sector in India. The total market size of big data in India in 2024 is \$2.17 billion. Data science is a combination of maths, statistics, computer engineering, and AI as it is used to analyse the large number of data. Having a certification in a data science can help a candidate to get a job in various organization.

**4. Digital Marketing –**

In this growing world where almost each and everything is done with the help of internet, company uses digital marketing to promote and sell their product or service online. Having the certifications in digital marketing, a candidate can increase the opportunity because every organization needs a team for online marketing nowadays, digital marketing course will help candidate to get job easily.

**5. Financial Analysis –**

If a candidate has a great financial knowledge this certification will help in securing the job as well as can be given preference in financial sectors such as investment banks, insurance companies, mutual fund and other financial ventures. As a finance is never ending term, there is high job security for a candidate in this sector.

**STEPS TO START OFF WITH THE SKILLS DEVELOPMENT**

Whether there is an aspirant or graduate, a job seeker or a student, certain measures can be followed to secure a recognizable position or to simply begin the skill development journey:

**1. Think about your goals-**

The initial step in the skills development is to recognize the goals or targets to pursue in the coming period to meet the requirements to stand out. One can enhance or improve depending upon various reasons like, for a job, a volunteer opportunity,

a hobby, to enhance the knowledge in the academics, for one's education, boost up confidence and many other countless potential reasons are there to enhance the skills.

**2. Identifying the skills gap-**

After a proper roadmap, one need to find what is actually significant and required to reach at a certain level. Depending upon what is the purpose behind developing a certain skill, a clear vision should be there to meet the market values or demands as per the changing industrial position. Relying upon the current industrial era, to have knowledge about what kind of potentials are actually in need or demanding in the market is must. Skills can be developed accordingly, because one needs to be skilled enough to get recognized and considered among others.

**3. Target specific skill areas-**

Skills can be categorized into dozens of divisions. While developing skills it is obvious that skills are of various type like hard skills, soft skills, technical skills, and many more. One should know what type of skills he/she is looking for to invest in. Analysing current market situations and trends is necessary to know about what kind of skills are actually recognizable and can resemble a certain potential which would make a candidate stand out, only then a certain skill should be targeted.

**4. Expand your network-**

Widening the network is something which can really help one to ease the path of skill development and going through new opportunities. Networking whether it is online or offline, person-to-person, family, friends, organizational, institutional and others can lead to several benefits like one can learn about job openings, career advice from the people in the field, can develop long lasting relationships and build up confidence, can build a reputation within the industry by showcasing one's expertise, one can be considered for hidden opportunities that might not be otherwise available, it strengthens your business connections and acquaintances. Overall networking makes a person in connect with what he/she are aiming for.

**5. Sources of skill development-**

Once one is done with the above steps, next step is to find various sources to actually implement and start one's learning process. Nowadays, there are innumerable consents available, according to one's convenience, several measures can be accepted. Sources are there such as traditional schooling or educational programs, workshops, training sessions, gaining hands-on experience, reading

books, watching educational videos and podcasts, mentoring, online learning platforms, attending seminars, events, programs on organizational and institutional level, online and offline short term as well as long term courses and classes and many more.

**6. Read and research-**

Read and research plays a significant role because they contribute in exploring new topics and concepts, communicate one's ideas in written and spoken formats, can be helpful in increasing the efficiency of one's abilities by going through new matters, identifying opportunities. With the help of online as well as offline mediums such as social media, newspapers, articles, books, research papers, magazines and others, one can stay in touch with the current happenings in the field, market conditions and trends and can get fresh and in hand opportunities.

**7. Take courses and undergo training-**

Taking courses and trainings is one of the most important aspects in skill development as it leads to career advancement, progression and internal recruiting opportunities. It can also help one to build resilience and employability by developing skills that are transferable across industries and roles. It also leads to increase in one's productivity and performance, confidence and many more.

**8. Seek certifications-**

Having valid certifications can help one stand out from other candidates while applying for a job and indirectly increase in employability. Certifications show an individual's up-to-date knowledge, potentials, how competitive a candidate is. Certifications serve as a body which showcases an individual's competence, abilities and expertise in specific areas. Moreover, it also acts as an approval, providing assurance that an individual possesses the necessary skills and knowledge to excel and fit in a role.

**9. Practice-**

Once the desired skills are developed, practice allows an individual to apply learnt knowledge in real life scenarios. Repetitive practice helps an individual to identify and rectify mistakes and errors that often occurs and improves one's performance. Repeated practice helps one perform skills automatically and more efficiently as well effectively. It also helps in one's to be open with feedback so that the learnt skills can be mastered precisely.

**LITERATURE REVIEW**

In the paper, “Skill Development in India – A Literature Review” by Biswabhusan Mehra and Mamta Gaur reveals in their study that, how skill development can reduce the gap between skill gap and be ready future and how skill development can transform India into a knowledgeable economy and also meet the global skills.

Researcher have focused on what challenges has faced by India and what initiatives has taken by Indian Government and awareness about this concept among Indian citizens (‘Skill Development in India: A Study of key success factors and challenges 2020’ by Ms. Megha Grover and Ramit Kapoor.)

The purpose of the paper by Clement Cabral and Rajib Lochan Dhar is to conduct an in-depth analysis of the literature and provide new insights on skill development research in India. In this paper the analysis is done in terms of structural dimensions as well as the role of skill development in women empowerment.

Swain and Sunita (2020) conducted a research on “Skill Development in India: Challenges and Opportunities” with aim of highlighting various challenges encountered by Indian Youth. The Study concluded that India is blessed with a ‘democratic dividend’ but it has to utilize it for reaping the benefits. It can add value to the economy and also support various schemes drives by ensuring more skilled workforce.

**HYPOTHESIS**

- Participation in skill development programs can increase the likelihood of employment in the commerce field. It can also lead to better employment outcomes, such as higher salaries and greater job satisfaction.
- Training and development can improve employee morale, knowledge, skills, competencies, and attitude. It can also have a positive impact on employee performance and productivity.
- Perspectives on skill development are positively correlated with the level of job satisfaction. Learning and training are both significantly correlated with job satisfaction, but learning has a stronger positive effect.
- Helping commerce graduates to not get lost with variety of data on internet but to find the expected results and getting familiar to new opportunities in employability market.

**RESEARCH AND ANALYSIS**

The research on “Skill Development in Employability Market with Special Emphasis On Commerce Graduates” holds significance importance due to several compelling reasons:

- Addressing Workforce Needs
- Enhancing Graduates’ Employability
- Optimizing Education Strategies
- Social and Economic Impact
- Reducing Skills Mismatch
- Diversity and Inclusion
- Long-term Career Success
- Academic Contribution

**CONCLUSION**

In conclusion, skill development is a critical component of a student's journey toward personal and professional success. It contributes to holistic growth, employability, adaptability, entrepreneurship, problem-solving abilities, self-confidence, life skills, and academic success. As students embrace skill development, they prepare themselves to thrive in a competitive world where versatility and adaptability are highly prized.

Encouraging students to invest in skill development is an investment in their future, equipping them with the tools they need to lead fulfilling lives and make meaningful contributions to society. In a rapidly changing world, the ability to learn and adapt is a skill in itself, and by fostering this ability, we empower students to shape their own destinies and embrace a future filled with opportunities. Skill development isn't just about acquiring knowledge; it's about honing the capabilities that enable students to excel in every aspect of their lives. As educators, mentors, and parents, we have a crucial role in nurturing the next generation of skilled, adaptable, and confident individuals who will drive positive change in our world.

**RESEARCH METHODOLOGY**

The researcher has used primary data that has been collected through survey to study the importance of constant skill development as well as secondary data that has been collected from various websites and books to study the definitions, present trends in

industrial world, importance of skill development for an employed person. Reviews from different online and personally holds a significant role while researching.

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## FACTORS INFLUENCING GEN Z'S INVESTMENT DECISIONS IN THE INDIAN EQUITY MARKET

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### ABSTRACT:

*In India, Gen Z is revolutionizing the equity market with their technological expertise, innovative mindset, and unique socio-economic perspectives (Economic Times, 2020). As they enter the investment landscape during a period of profound technological and financial innovation, they bring a fresh perspective shaped by their digital nativity, social consciousness, and enthusiasm for innovation.*

*This study investigates the critical factors influencing Gen Z's investment decisions, focusing on behavioural dimensions such as risk tolerance, financial literacy, and social media influence (Investopedia, 2020). By integrating quantitative surveys and qualitative interviews, the research provides a comprehensive understanding of how these factors shape Gen Z's equity investment behaviour.*

*The study reveals key findings, including the importance of addressing financial literacy gaps, managing risk tolerance, and navigating social media's influence on investment decisions (Financial Times, 2020). Moreover, it highlights technology's transformative role in redefining equity investment strategies for this digitally native generation (McKinsey, 2020).*

**Keywords:** *Gen Z, financial literacy, investment decisions, technological and financial innovation*

### INTRODUCTION:

Gen Z, born between the mid-1990s and early 2010s, is a digitally native generation that has grown up surrounded by smartphones, social media, and the internet (Pew Research Centre, 2020). This has made them exceptionally tech-savvy, with open-minded attitudes, diverse perspectives, and a strong interest in social issues (McCrindle, 2019). Understanding their values, behaviours, and motivations is crucial



for businesses, educators, and society. Gen Z's worldview and behaviour have been shaped by a unique combination of factors, including the digital age, climate concerns, economic uncertainty, and the COVID-19 pandemic (World Economic Forum, 2020). Having faced challenges like climate change, pandemic lockdowns, and economic uncertainty, their perspective has been profoundly impacted (UNICEF, 2020). Notably, Gen Z is the first generation to have grown up with the internet as a normal part of everyday life, making them uniquely adept at navigating the digital landscape.

In India, Gen Z is revolutionizing the equity market with their technological expertise, innovative mindset, and unique socio-economic perspectives (Economic Times, 2020). As they enter the investment landscape during a period of profound technological and financial innovation, they bring a fresh perspective shaped by their digital nativity, social consciousness, and enthusiasm for innovation.

This study investigates the critical factors influencing Gen Z's investment decisions, focusing on behavioural dimensions such as risk tolerance, financial literacy, and social media influence (Investopedia, 2020). By integrating quantitative surveys and qualitative interviews, the research provides a comprehensive understanding of how these factors shape Gen Z's equity investment behaviour.

The study reveals key findings, including the importance of addressing financial literacy gaps, managing risk tolerance, and navigating social media's influence on investment decisions (Financial Times, 2020). Moreover, it highlights technology's transformative role in redefining equity investment strategies for this digitally native generation (McKinsey, 2020).

Ultimately, this research provides a foundation for understanding the values, attitudes, and behaviours of Gen Z investors in India. By leveraging these insights, businesses, educators, and policymakers can develop effective strategies to support and empower this demographic, contributing to the growth and development of India's financial ecosystem.

### **Research Objectives**

#### **Primary Objectives**

**Key Influencer Identification:** Determine the primary factors driving Gen Z's investment decisions in India's equity market (based on McCrindle, 2019).

**Influential Factor Analysis:** Examine the impact of risk tolerance, financial literacy, and social media on Gen Z's equity investment choices in India (based on Investopedia, 2020).

**Technology's Role:** Investigate how technology influences Gen Z's equity investment strategies in India (based on McKinsey, 2020).

### **Secondary Objectives**

**Demographic Analysis:** Analyse the demographic characteristics and investment patterns of Gen Z investors in India (based on United Nations, 2020).

**Investment Education Evaluation:** Assess the effectiveness of investment education programs in enhancing Gen Z's financial literacy (based on Financial Times, 2020).

**Market Impact Assessment:** Investigate the potential implications of Gen Z's investment behaviour on the Indian equity market and financial institutions (based on Economic Times, 2020).

### **Research Questions**

What drives Gen Z's investment decisions in India's equity market?

How do risk tolerance, financial literacy, and social media influence Gen Z's investment choices?

What role does technology play in shaping Gen Z's investment strategies?

What are the implications of Gen Z's investment behaviour for India's equity market and financial institutions?

### **Research Methodology:**

A systematic framework was employed to gather, analyse, and interpret data through a combination of primary and secondary research methods. Primary data was collected via a Google Forms survey administered to Gen Z individuals from diverse fields, while secondary data was sourced from various online platforms, financial content creators, market reports, and websites.

The survey instrument consisted of 20 questions designed to elicit information on income, financial data usage, risk tolerance, financial knowledge, investment platforms, and investment preferences.

### **Tools of Analysis**

Microsoft Excel, Microsoft Word, pie charts, tables, and percentage analysis were utilized to analyse the data. Descriptive analysis was performed to characterize the data variables and provide a foundation for further quantitative analysis.

### **Literature Review**

Generation Z (Gen Z) in India exhibits notable financial sophistication as they embark on their journey towards financial independence. Research indicates that Gen Z's

investment preferences are influenced by factors such as monthly income sources, saving habits, and family investment experiences.

A survey of individuals aged 15-30 revealed significant differences in saving habits across gender, age, and annual family income. Gen Z is increasingly achieving financial independence through a combination of personal earnings and pocket money.

Gen Z's investment choices are significantly shaped by their family's investment history and robust savings habits, leading them to Favor long-term equity investments in established companies and stocks.

Factors such as annual growth rate, long-term revenue growth, and financial performance significantly impact their investment choices. Over half of Gen Z investors prefer growth and systematic investment plans (SIPs) in equity mutual funds, growth and value equity stocks, and sectors like financial services and information technology.

Despite their investment inclination, Gen Z exhibits herd behaviour, relying on new-age investing apps and facing challenges in taking the first step due to fear of losses. However, they are optimistic and willing to learn and improve their investing skills.

## **DATA PRESENTATION AND ANALYSIS:**

### **Data Collection Methodology**

To gather data, an online survey was conducted using a Google Form distributed through WhatsApp. Following a pilot test with 10 participants, the questionnaire was refined based on feedback to improve relevance, clarity, and completeness.

### **Survey Details**

A 20-item survey instrument was developed to collect data on participants' income, financial behaviour, risk appetite, financial knowledge, and investment preferences, as well as their experiences with various investment platforms. The survey was conducted from 7th December 2024 to 10<sup>th</sup> December 10th, 2024.

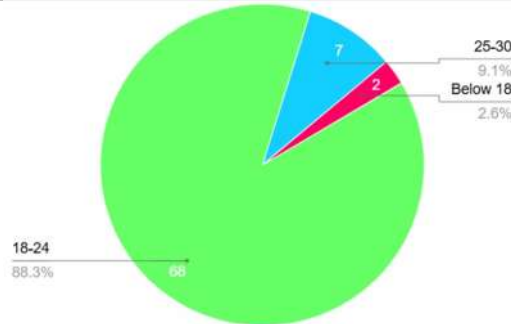
### **Participant Demographics**

A total of 77 responses were collected from Indian participants aged 16-30 years, with the majority hailing from Pune.

### **Age-Group Distribution of Gen Z Investors in India**

The table below provides a breakdown of the age-group distribution of Gen Z investors in the Indian equity market:

Age Group	Responses	Percentage
Below 18	2	2.6%
18-24	68	88.3%
25-30	7	9.1%



**Key Insights**

**Young Adults Dominate:** A staggering 88.3% of respondents belong to the 18-24 age group, indicating that Gen Z investors are predominantly young adults.

**Minors Have Limited Presence:** Only 2.6% of respondents are below 18, which is expected due to legal restrictions on minors investing in the equity market.

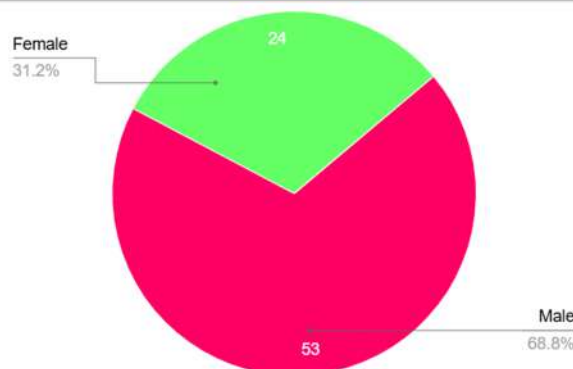
**Older Gen Z Investors Are Few:** The 25-30 age group accounts for only 9.1% of respondents, suggesting that older Gen Z investors are relatively scarce.

In conclusion, the age-group distribution of Gen Z investors in the Indian equity market suggests that they are predominantly young adults who are likely to be risk-tolerant, financially literate, and tech-savvy.

**A Gender-Based Analysis**

A recent survey reveals the gender distribution of Gen Z investors in the Indian equity market:

Gender	Responses	Percentage
Male	53	68.8%
Female	24	31.2%



**Key Findings**

**Male Investors Outnumber Female Investors:** The survey indicates that males account for 68.8% of the respondents, while females account for 31.2%.

**Female Investors Are a Significant Proportion:** Despite males dominating the market, female investors constitute a substantial 31.2% of the respondents.

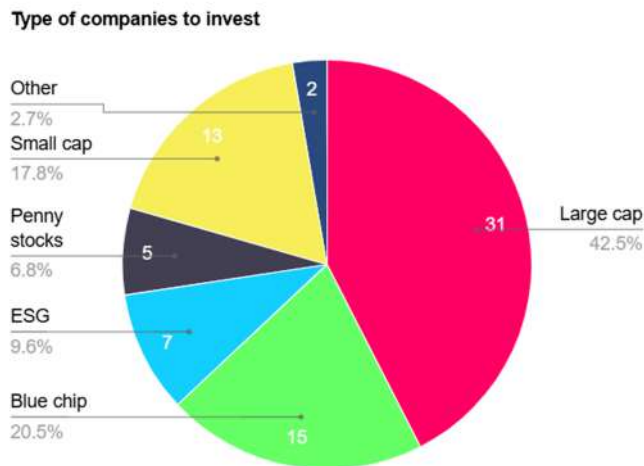
**Conclusion**

The survey highlights the dominance of male investors in the Indian equity market, but also reveals significant female participation. By understanding the differences in investment decisions and motivations between male and female Gen Z investors, financial institutions and investment platforms can tailor their services to meet the unique needs of each group, ultimately promoting more inclusive and effective investment strategies.

**Stock Preferences of Gen Z Investors in India: An Analysis**

A recent survey provides insights into the stock preferences of Gen Z investors in the Indian equity market:

Stock Type	Responses	Percentage
Large Cap	31	42.5%
Blue Chip	15	20.5%
ESG	7	9.6%
Penny Stock	5	6.8%
Small Cap	13	17.8%
Other	2	2.7%



### Key Takeaways

**Large-Cap Stocks Lead the Way:** Gen Z investors in India show a strong preference for large-cap stocks, which account for 42.5% of the responses, indicating a focus on stability and lower risk.

**Blue Chip Stocks Are a Close Second:** Blue chip stocks are the second most preferred, accounting for 20.5% of the responses, highlighting the importance of established companies with a strong track record.

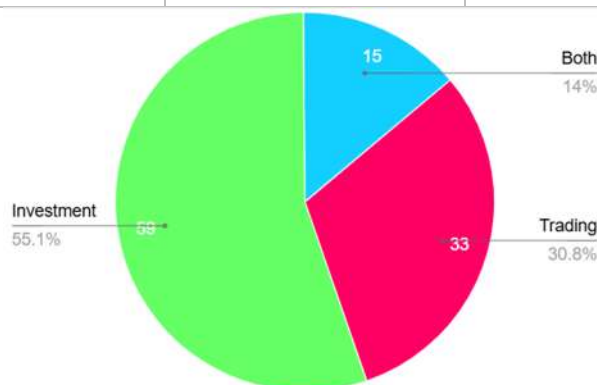
**ESG and Penny Stocks Have Limited Appeal:** ESG and penny stocks have limited appeal among Gen Z investors, accounting for only 9.6% and 6.8% of the responses, respectively, suggesting a lack of awareness or understanding of these investment options.

**Small Cap Stocks Show Promise:** Small cap stocks account for 17.8% of the responses, indicating that some Gen Z investors are willing to take on higher risk in pursuit of potentially higher returns.

### Understanding Gen Z Investors' Preferences in India

A recent survey sheds light on the investment preferences of Gen Z investors in the Indian equity market:

Preference	Responses	Percentage
Investment	59	55.1%
Trading	33	30.8%
Both	15	14%



### Key Findings

**Long-Term Focus:** The majority of Gen Z investors in India (55.1%) prioritize long-term wealth creation through an investment-oriented approach.

**Short-Term Gains:** A significant proportion of Gen Z investors (30.8%) engage in trading activity, seeking short-term gains.

**Adaptive Approach:** A notable proportion of Gen Z investors (14%) adopt a hybrid approach, combining investment and trading strategies to adapt to market conditions.

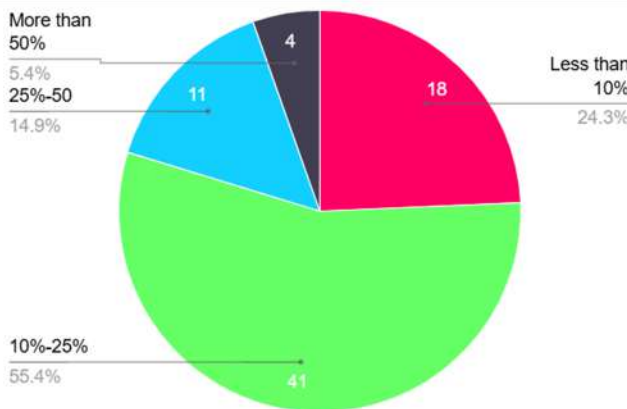
**Conclusion**

The investment preferences of Gen Z investors in India reveal a mix of long-term and short-term approaches. By understanding these preferences, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more effective investment strategies.

**Investment Allocation Patterns of Gen Z Investors in India**

A recent survey provides insights into the investment allocation patterns of Gen Z investors in India:

Allocation Percentage	Responses	Percentage
Less than 10%	18	24.3%
10% - 25%	41	55.4%
25% - 50%	11	14.9%
More than 50%	4	5.4%



**Key Takeaways**

**Cautious Investment Approach:** The majority of Gen Z investors in India (55.4%) adopt a conservative investment approach, allocating between 10% to 25% of their income or savings to investments.

**Limited Appetite for High-Risk Investments:** Only 5.4% of Gen Z investors allocate more than 50% of their income or savings to investments, indicating a limited appetite for high-risk investments.

**Moderate Investment Approach:** A notable proportion of Gen Z investors (14.9%) adopt a moderate investment approach, allocating between 25% to 50% of their income or savings to investments.

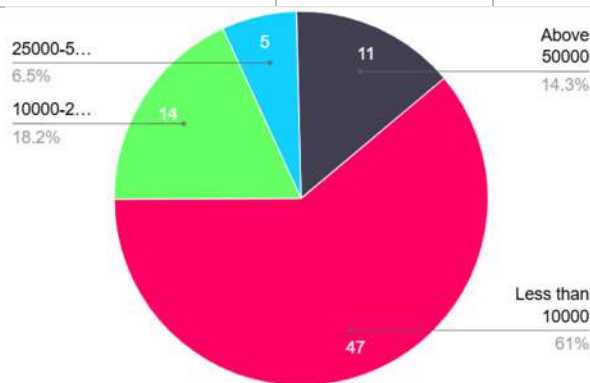
## Conclusion

The investment allocation patterns of Gen Z investors in India reveal a cautious approach to investing. By understanding these allocation preferences, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more effective investment strategies.

## Income Profile of Gen Z Investors in India

A recent survey provides insights into the monthly income or allowance of Gen Z investors in India:

Monthly Income/Allowance	Responses	Percentage
Less than ₹10,000	47	61%
₹10,000 - ₹25,000	14	18.2%
₹25,000 - ₹50,000	5	6.5%
Above ₹50,000	11	14.3%



## Key Findings

**Majority in Low-to-Moderate Income Bracket:** The majority of Gen Z investors in India (61%) have a monthly income or allowance of less than ₹10,000, indicating a relatively low to moderate income level.

**Middle-Income Segment Presence:** A notable proportion of Gen Z investors (18.2%) have a monthly income or allowance between ₹10,000 to ₹25,000, representing a middle-income segment.

**High-Income Segment Representation:** A smaller proportion of Gen Z investors (14.3%) have a monthly income or allowance above ₹50,000, indicating a relatively high-income segment.

## Conclusion

The income profile of Gen Z investors in India is characterized by a majority having low to moderate incomes. Understanding these income levels can help financial

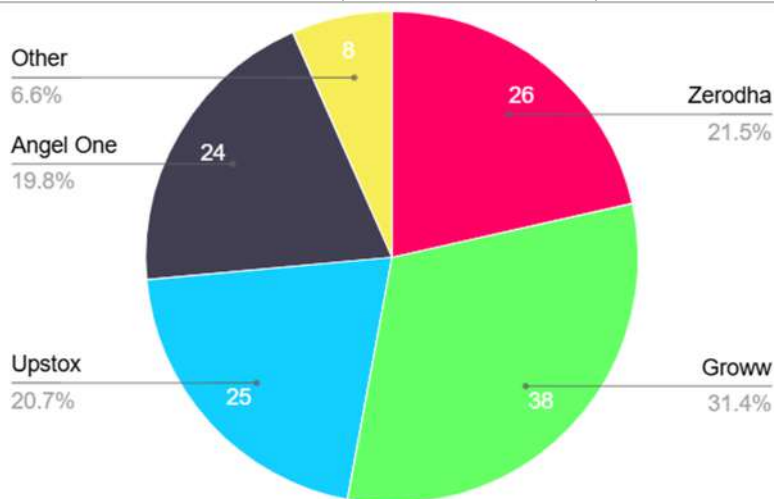


institutions and investment platforms tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more effective investment strategies.

**Investment Platforms and Apps Preferred by Gen Z Investors in India**

A recent survey provides insights into the investment platforms and apps used by Gen Z investors in India for trading or managing their portfolios:

Investment Platform/App	Responses	Percentage
Zerodha	26	21.5%
Groww	38	31.4%
Upstox	25	20.7%
Angel One	24	19.8%
Other	8	6.6%



**Key Highlights**

**Groww Tops the List:** Groww emerges as the most popular investment platform or app among Gen Z investors in India, with 31.4% of the responses.

**Zerodha, Upstox, and Angel One Trail Behind:** Zerodha, Upstox, and Angel One are the second, third, and fourth most popular platforms, respectively, with 21.5%, 20.7%, and 19.8% of the responses.

**Diverse Preferences:** A smaller proportion of Gen Z investors (6.6%) use other investment platforms or apps, indicating a diverse range of preferences.

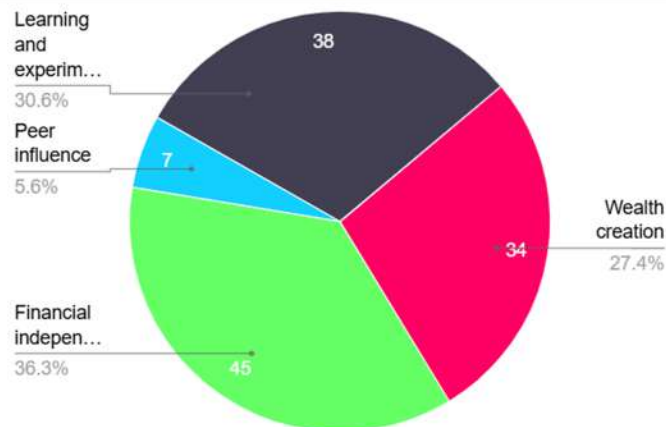
**Conclusion**

The investment platforms and apps used by Gen Z investors in India reveal a diverse range of preferences. By understanding these preferences, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more effective investment strategies.

## Understanding the Motivations of Gen Z Investors in India's Equity Market

A recent survey delves into the motivations driving Gen Z investors' decisions to invest in equities in India:

Motivation	Responses	Percentage
Learning and Experience	38	30.6%
Peer Influence	7	5.6%
Financial Independence	45	36.3%
Wealth Creation	34	27.4%



### Key Highlights

**Financial Independence: A Primary Driver:** The majority of Gen Z investors in India (36.3%) are motivated to invest in equities to achieve financial independence.

**Learning and Experience: A Significant Factor:** A substantial proportion of Gen Z investors (30.6%) are driven by the desire to learn and gain experience in investing.

**Wealth Creation and Peer Influence: Additional Motivators:** Wealth creation (27.4%) and peer influence (5.6%) also play a role in motivating Gen Z investors in India.

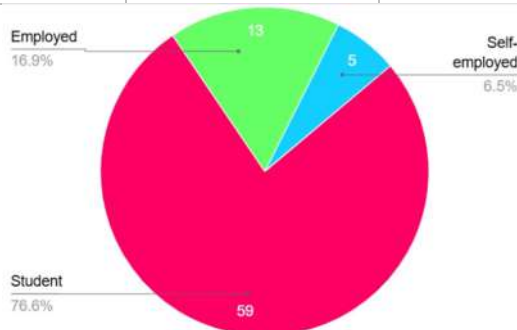
### Conclusion

The motivations driving Gen Z investors' decisions to invest in equities in India are multifaceted, with financial independence, learning and experience, and wealth creation being primary drivers. By understanding these motivations, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more informed investment decisions.

### Profiling Gen Z Investors in India: Occupational Insights

A recent survey provides a snapshot of the occupational profile of Gen Z investors in India:

Occupation	Responses	Percentage
Employed	13	16.9%
Student	59	76.6%
Self-Employed	5	6.5%



**Key Highlights**

**Students Lead the Pack:** An overwhelming majority of Gen Z investors in India (76.6%) are students, highlighting a strong presence of young and aspiring investors.

**Employed Individuals: A Smaller but Significant Segment:** A smaller proportion of Gen Z investors (16.9%) are employed, indicating that investing is not exclusive to working professionals.

**Self-Employed Individuals: A Growing Trend:** A small but notable proportion of Gen Z investors (6.5%) are self-employed, signalling a growing trend of entrepreneurship and financial independence.

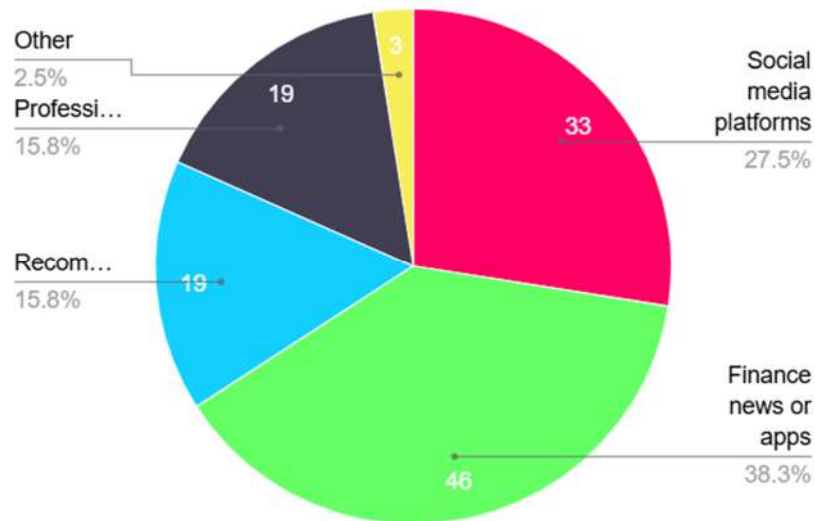
**Conclusion**

The occupational profile of Gen Z investors in India reveals a dominant presence of students, with employed and self-employed individuals forming smaller but notable proportions. By understanding these occupational profiles, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more informed investment decisions.

**How Gen Z Investors in India Research Investment Opportunities**

A recent survey explores the research habits of Gen Z investors in India:

Research Method	Responses	Percentage
Social Media Platforms	33	27.5%
Finance News and Apps	45	38.3%
Recommendation from Friends	19	15.8%
Professional Advice	19	15.8%
Other	3	2.5%



**Key Findings**

**Finance News and Apps: The Go-To Source:** The majority of Gen Z investors in India (38.3%) rely on finance news and apps to research investment opportunities.

**Social Media Platforms: A Key Influencer:** A significant proportion of Gen Z investors (27.5%) use social media platforms to research investment opportunities, highlighting the impact of social media on investment decisions.

**Diverse Research Habits:** Recommendation from friends (15.8%) and professional advice (15.8%) are also popular research methods among Gen Z investors in India.

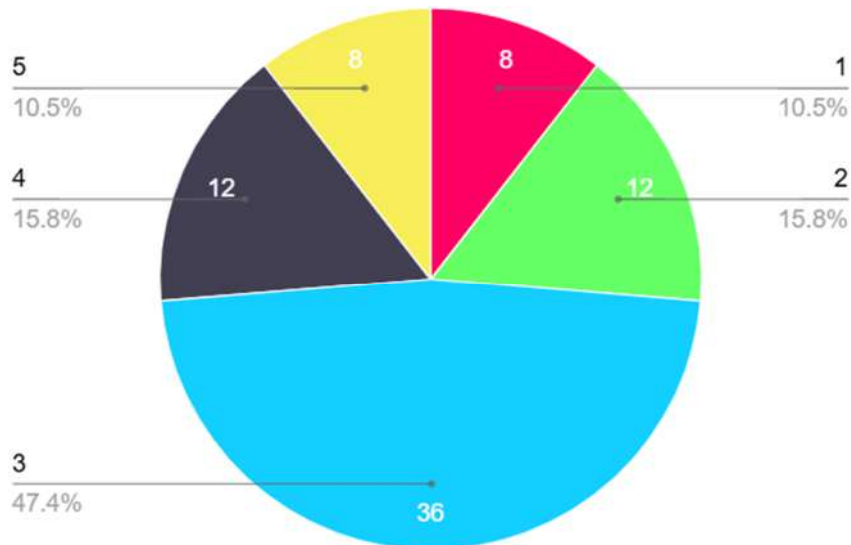
**Conclusion**

The research habits of Gen Z investors in India are characterized by a diverse range of sources, including finance news and apps, social media platforms, and professional advice. By understanding these research habits, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more informed investment decisions.

**Assessing Risk Tolerance among Gen Z Investors in India**

A recent survey evaluates the risk tolerance of Gen Z investors in India, with respondents rating their risk tolerance on a scale of 1-5:

Risk Tolerance Rating	Responses	Percentage
1 (Very Risk-Averse)	8	10.5%
2 (Risk-Averse)	12	15.8%
3 (Neutral)	36	47.4%
4 (Risk-Tolerant)	12	15.8%
5 (Very Risk-Tolerant)	8	10.5%



**Key Highlights**

**Neutral Risk Tolerance Dominates:** The majority of Gen Z investors in India (47.4%) exhibit a neutral risk tolerance, indicating a balanced approach to risk.

**Risk-Averse and Risk-Tolerant Investors: Smaller Proportions:** Smaller proportions of Gen Z investors are risk-averse (26.3%) or risk-tolerant (26.3%).

**Extreme Risk Tolerance: Relatively Rare:** Only 10.5% of Gen Z investors exhibit very

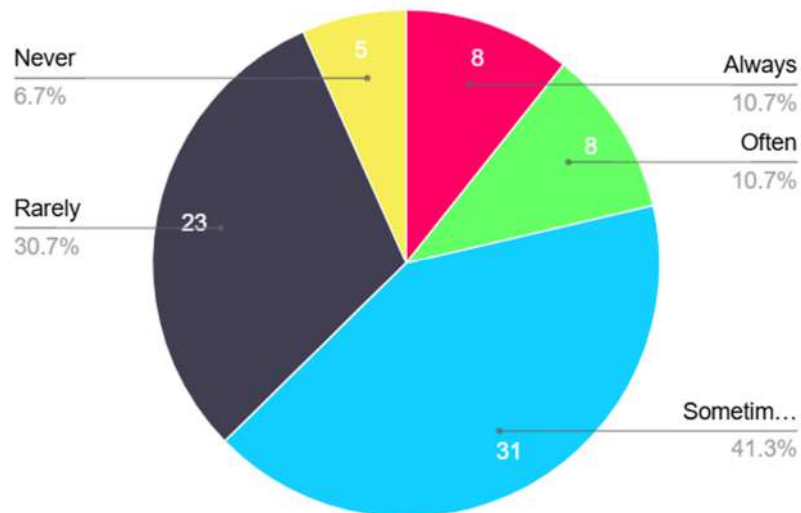
**Conclusion**

The risk tolerance of Gen Z investors in India is characterized by a neutral approach, with smaller proportions of risk-averse and risk-tolerant investors. By understanding these risk tolerance profiles, financial institutions and investment platforms can tailor their services to meet the unique needs of Gen Z investors, ultimately promoting more informed investment decisions.

**Social Media's Impact on Gen Z Investors' Decisions in India**

A recent survey investigates the influence of social media on Gen Z investors' decisions in India:

Frequency of Influence	Responses	Percentage
Always	8	10.7%
Often	8	10.7%
Sometimes	31	41.3%
Rarely	23	30.7%
Never	5	6.7%



### Key Findings

**Social Media's Moderate Influence:** A significant proportion of Gen Z investors in India (41.3%) report that social media influencers sometimes impact their investment decisions.

**Limited Frequent Influence:** Only a small proportion of Gen Z investors (10.7%) report that social media influencers always or often impact their investment decisions.

**Many Investors Remain Uninfluenced:** A notable proportion of Gen Z investors (37.4%) report that social media influencers rarely or never impact their investment decisions.

### Conclusion

The influence of social media on Gen Z investors' decisions in India is moderate, with many investors reporting occasional influence. By understanding the role of social media in shaping investment decisions, financial institutions and investment platforms can develop targeted strategies to support Gen Z investors in making informed investment decisions. Here's a rephrased version of the final research conclusion:

### Observations

Survey responses from Gen Z participants revealed several key observations:

A significant portion of respondents (aged 18-24) actively engage in the Indian equity market, preferring long-term investments.

Financial independence and wealth creation drive their investment decisions.

Despite enthusiasm, many face challenges such as lack of knowledge and market manipulation.

Social media and financial news websites significantly influence their investment research.

Platforms like YouTube, Instagram, Groww, and Zerodha are popular sources of information and portfolio management.

### **Final Research Conclusion**

A comprehensive analysis of Gen Z investors in India has yielded compelling results, indicating that this demographic is comprised primarily of young adults (88.3% between 18-24 years old) who exhibit moderate to high risk tolerance. Their primary investment objectives are threefold: achieving financial independence, creating wealth, and ensuring stability.

### **Key Takeaways**

**Risk Appetite Dynamics:** Risk appetite among Gen Z investors in India varies significantly across different age groups, genders, and occupations.

**The Importance of Financial Literacy:** Possessing adequate financial knowledge and awareness is crucial for making informed investment decisions.

**Investment Strategy Diversification:** Investment strategies employed by Gen Z investors in India differ substantially based on risk tolerance, financial goals, and occupation.

**The Necessity of Diversification and Education:** Adopting diversified investment portfolios and accessing investor education are essential for facilitating effective investment decisions.

### **Study Implications**

This study provides profound insights into the investment behavior, preferences, and decision-making processes of Gen Z investors in India. The findings underscore the importance of developing tailored investment strategies, education, and guidance to cater to the unique needs of this demographic.

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## SOCIAL COMMERCE AND ITS IMPACT ON TRADITIONAL E-COMMERCE: A COMPARATIVE STUDY

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### **Abstract**

*Social commerce is an innovative evolution within the e-commerce sector, blending the functionalities of social media platforms with online shopping experiences to create a seamless, interactive, and engaging consumer journey. Unlike traditional e-commerce, which is typically built on standalone platforms or websites dedicated solely to product sales, social commerce integrates social networking elements such as user interactions, peer recommendations, and influencer engagement into the buying process. This hybrid model has reshaped the digital landscape, offering businesses new avenues for consumer engagement and allowing brands to build more personalized, community-driven shopping experiences.*

*This study aims to explore the evolving dynamics between social commerce and traditional e-commerce, comparing and contrasting their effects on consumer behavior, marketing strategies, and broader market trends. Through an in-depth examination of contemporary case studies, industry reports, and real-world examples, this research delves into how social commerce fosters unique forms of customer interaction—such as social proof, product reviews, and influencer collaborations—which play a significant role in shaping consumer purchasing decisions. In addition, it investigates the growing trend of social media platforms transforming into e-commerce hubs, offering businesses and brands an opportunity to reach their audiences where they already spend a considerable amount of time.*

*The study further highlights the rapidly changing consumer expectations and the growing importance of social media in the purchasing process, demonstrating how platforms like Instagram, Facebook, TikTok, and Pinterest are now key players in influencing consumer behavior. This transformation has redefined how companies approach digital marketing, content creation, and consumer relationship management. Moreover, social commerce is significantly altering how businesses communicate their*

*value propositions, shifting from traditional advertising models to more organic, engaging, and community-focused strategies.*

**Keywords:** *Social Commerce, Social Media, Consumer behaviour, e-commerce*

## **Introduction**

The rise of social media has profoundly transformed the ways in which people interact, communicate, and consume information, creating a new digital ecosystem in which individuals are constantly connected to one another and to the brands they engage with. As a natural extension of this evolution, social commerce has emerged as a powerful tool that seamlessly integrates the connectivity and community aspects of social platforms with the convenience and functionality of online shopping. Unlike traditional e-commerce, which primarily operates through standalone websites or apps dedicated to product sales, social commerce leverages the influence of social networks to drive product discovery, foster consumer engagement, and enhance sales conversions. This fusion of social interaction and shopping creates an immersive, real-time shopping experience that builds trust and encourages impulse purchases in ways that traditional e-commerce cannot replicate.

This study offers a comprehensive exploration of the comparative dynamics between social commerce and traditional e-commerce, examining both their strengths and weaknesses, as well as the areas in which they overlap. While traditional e-commerce remains a dominant force in online retail, social commerce represents an increasingly vital component of the digital commerce landscape. By analyzing the interplay between these two models, we seek to uncover the key factors driving their respective success stories, including how social media platforms shape consumer behavior, influence purchase decisions, and impact brand loyalty. Additionally, the research investigates the unique opportunities and challenges faced by businesses operating within these two paradigms, such as platform dependency, data privacy concerns, and the evolving nature of digital marketing.

Through a detailed examination of industry trends, case studies, and consumer behavior data, this study aims to provide insights into how companies can effectively navigate the ever-changing digital marketplace. It highlights how businesses can leverage social commerce tools to engage consumers in more authentic and dynamic ways, while also identifying the potential drawbacks and risks inherent in relying on social platforms for

sales and marketing. Ultimately, this research seeks to offer a holistic understanding of how social commerce and traditional e-commerce are shaping the future of online retail and what strategies businesses can adopt to stay competitive in an increasingly interconnected world.

**Methodology**

This research adopts a mixed-methods approach, combining both qualitative and quantitative analysis to provide a comprehensive understanding of the impact of social commerce on traditional e-commerce. By integrating multiple data collection techniques, this study aims to capture the nuanced differences between the two models and explore how the rise of social commerce is reshaping consumer behaviors, marketing strategies, and business practices. The key methods employed in this research include:

**Case Studies:**

A detailed analysis of successful social commerce platforms—such as Instagram Shopping, Facebook Marketplace, and Pinterest Buyable Pins—serves to highlight the unique strategies and operational models behind their success. Through these case studies, we examine how these platforms utilize social media's interactive features to enhance product discovery, drive sales conversions, and foster customer loyalty. By investigating the outcomes of these platforms, the research seeks to identify the key factors that contribute to the effective integration of social commerce into digital retail environments.

**Surveys:**

A comprehensive consumer survey is designed to collect quantitative data on consumer preferences, buying behavior, and attitudes towards social commerce in comparison to traditional e-commerce. The survey includes questions on factors such as convenience, trust, product recommendations, and the influence of social media on purchasing decisions. This data will be analyzed to gauge how consumers perceive the social commerce experience and whether it leads to increased engagement and spending relative to traditional e-commerce platforms.

**Industry Data Analysis:**

A thorough review of market reports, financial data, and trend analyses will be conducted to identify the growth patterns, market share, and adoption rates of social commerce compared to traditional e-commerce. By analyzing industry data, this

research aims to quantify the rise of social commerce in the global marketplace, examining key metrics such as sales volume, user engagement, and platform-specific trends. This will provide a broader perspective on the economic implications and potential for further growth in the social commerce sector.

**Interviews:**

Qualitative insights will be gathered through in-depth interviews with industry experts, business owners, marketers, and platform administrators. These interviews will focus on uncovering the operational and strategic differences between social commerce and traditional e-commerce. By engaging with professionals who have direct experience in both models, this study will gain valuable perspectives on the challenges and opportunities businesses face when transitioning to social commerce. Interviews will also provide insights into the evolving role of social media in digital marketing and the operational considerations required for businesses to succeed in this new environment. By combining these diverse methods, this research aims to offer a well-rounded understanding of the comparative dynamics between social commerce and traditional e-commerce. It will provide both data-driven insights and qualitative perspectives to better understand the ways in which social commerce is transforming the retail landscape and influencing consumer behavior.

**Table : Comparison of Social Commerce Platforms vs. Traditional E-commerce****Features**

<b>Feature</b>	<b>Social Commerce</b>	<b>Traditional E-commerce</b>
Platform Type	Integrated with social media platforms	Standalone websites or apps
User-Generated Content	Strong emphasis (reviews, posts, live streams)	Limited (mostly product reviews)
Influencer Marketing	Common and integral (real-time promotions)	Less prominent, often through ads or sponsored content
Sales Conversion	Influenced by peer interactions and live streaming	Relies on optimized website, reviews, and advertisements
Real-time Engagement	Yes (live streaming, commenting)	Limited (product details, customer service)

## Findings

### 1. Consumer Engagement

Social commerce revolutionizes the shopping experience by creating a dynamic and interactive environment. It integrates features like live streaming, user-generated content (UGC), and social proof, which allow consumers to actively participate in the process and engage with both brands and other users. This creates a sense of community, fosters trust, and encourages more impulsive purchasing decisions. Traditional e-commerce, on the other hand, offers a more streamlined and efficient shopping experience, but it generally lacks the level of interactivity and social connection that social commerce fosters. While e-commerce platforms may include user reviews or customer service chats, they do not fully integrate social engagement into the buying journey.

Metric	Social Commerce	Traditional E-commerce
Engagement	High (live streams, UGC, community features)	Moderate (limited interaction options)
Conversion Rates	Higher (influenced by social proof, trust)	Moderate (depends on website design and usability)

**Social Commerce:** Consumers are more likely to engage with content on social platforms due to live streaming, real-time interactions, and the ability to easily share and comment on products. The social nature of these platforms fosters community-driven shopping experiences, enhancing trust and increasing conversion rates.

**Traditional E-commerce:** Engagement is often limited to browsing product listings, reading reviews, and using customer support. While some e-commerce sites use features like wish lists or product recommendations, they generally do not offer the same level of active interaction that social commerce does. Conversion rates tend to be moderate, as users typically need to be more intentional in their purchasing process.

**Table : Consumer Engagement Comparison**

Metric	Social Commerce	Traditional E-commerce
Engagement	High (live streams, UGC, community features)	Moderate (limited interaction options)

Conversion Rates	Higher (influenced by social proof, trust)	Moderate (depends on website design and usability)
User Interaction	Active (real-time comments, sharing, UGC)	Limited (reviews, customer service)
Trust Building	Enhanced (social proof, influencer endorsements)	Moderate (customer reviews)

## 2. Marketing Strategies

Marketing strategies in social commerce and traditional e-commerce differ significantly. Social commerce platforms, by virtue of their design, rely heavily on influencer marketing, targeted advertisements, and real-time feedback. These methods leverage the personal connections and trust built within social media platforms to directly engage consumers. On the other hand, traditional e-commerce focuses more on SEO, email campaigns, and paid advertising, optimizing content to increase visibility through search engines and nurturing customer relationships via email. Traditional e-commerce marketing approaches tend to be less reactive and less personal compared to social commerce's dynamic marketing environment.

Strategy	Social Commerce	Traditional E-commerce
Marketing Focus	Influencers, targeted ads, real-time feedback	SEO, email marketing, paid ads, product listings
Cost Efficiency	Moderate (depends on influencer partnerships and ad spend)	High (scalable campaigns with predictable costs)
Customer Interaction	High (real-time engagement, reviews, and influencer interactions)	Moderate (focus on automated communication and customer service)

### Social Commerce:

The key marketing strategies involve influencers promoting products to their followers, often in real time (such as via live streams or stories). Targeted ads are highly personalized, and real-time consumer feedback plays a significant role in shaping marketing campaigns. These strategies tend to be more dynamic and interactive, but they may also require a significant investment in influencer partnerships or paid campaigns.

**Traditional E-commerce:**

Marketing focuses on optimizing product visibility through search engines (SEO), managing email campaigns to retain customers, and using paid ads to drive traffic. The scale and automation of these methods make them highly cost-efficient but less personalized compared to social commerce strategies. Traditional e-commerce businesses also rely on well-crafted product descriptions and customer reviews to drive conversions, but they lack the deeper connection with consumers that social media platforms can facilitate.

By comparing consumer engagement and marketing strategies, it's evident that social commerce offers a more interactive and community-driven experience, leveraging the power of social media to foster deeper connections with consumers. Meanwhile, traditional e-commerce remains effective with its more structured and scalable approach but tends to lack the personal touch that social commerce brings.

**Table: Marketing Strategies Comparison**

Strategy	Social Commerce	Traditional E-commerce
Marketing Focus	Influencers, targeted ads, real-time feedback	SEO, email marketing, paid ads, product listings
Cost Efficiency	Moderate (depends on influencer partnerships)	High (scalable campaigns, predictable costs)
Customer Interaction	High (real-time engagement, reviews, influencers)	Moderate (focus on automated communication)
Personalization	High (dynamic, personalized content)	Moderate (optimized for search engines, emails)

**Conclusion**

This comparative study highlights the transformative potential of social commerce in shaping the future of the digital economy. As consumers increasingly prioritize convenience, personalization, and community-driven interactions, the role of social commerce continues to grow, offering businesses a powerful tool to engage directly with their target audience in more meaningful and authentic ways. By leveraging features like live streaming, user-generated content, and influencer marketing, social commerce allows brands to create a more dynamic and interactive shopping experience, ultimately enhancing customer loyalty and boosting conversion rates.

However, the enduring strengths of traditional e-commerce, particularly its scalability, reliability, and established infrastructure, ensure that it remains a vital component of the digital retail landscape. Traditional e-commerce platforms continue to excel in providing streamlined, efficient shopping experiences, with robust systems in place for managing inventory, processing transactions, and handling customer service. Its focus on search engine optimization (SEO), email marketing, and paid advertising allows businesses to reach wide audiences and maintain cost-effective growth.

While social commerce offers significant advantages in terms of customer engagement and personalized marketing, traditional e-commerce provides the reliability and efficiency required for long-term business operations. By understanding the synergies and distinctions between these two models, businesses can craft integrated strategies that blend the strengths of both paradigms. Adopting a hybrid approach that incorporates social commerce elements into traditional e-commerce frameworks allows businesses to remain competitive in an increasingly digital and socially connected marketplace. This strategic integration will enable companies to cater to a broader range of consumer needs and preferences, ultimately enhancing both their reach and impact in the evolving digital economy.

In conclusion, the rise of social commerce marks a pivotal shift in the way businesses engage with consumers, but the core principles of traditional e-commerce remain essential to sustaining growth and success in the digital age. By leveraging the complementary strengths of both models, businesses can maximize their potential for success and continue to adapt to the rapidly changing landscape of online retail.

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## EVALUATING THE STATUS AND CONTRIBUTIONS OF MSMES IN INDIA.

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### **Abstract:**

*MSMEs are the backbone of the Indian industrial sector. They play an important role in eradicating economic backwardness, aiding major sectors, and optimizing resource use. MSMEs are the primary sources of employment, accounting for around 45% of national industrial outcomes, 40% of exports, and 70% of industrial employment. This research paper examines the significance of MSMEs in the Indian economy from 2023 to 2024. The report demonstrates that MSMEs are critical to India's economic growth, job creation, and development. Key findings include: MSMEs provide a substantial contribution to employment possibilities in both rural and urban locations. The industry supports the growth of the Indian economy. Leading industries in the MSME sector have been identified, along with expected employee and MSMEs numbers. The paper underlines MSMEs' significant contributions to India's economic landscape.*

**Keywords:** MSME, economic growth, employment, development, exports

### **1. Introduction:**

The MSME sector has developed into a key and dynamic component of India's economy during the past fifty years. MSMEs support inclusive industrial growth, foster entrepreneurship, and generate significant job opportunities as significant contributors to the nation's economic and social development. MSMEs have expanded into a variety of industries that cater to both domestic and foreign markets thanks to their creativity and adaptability. MSMEs play a crucial role in India's industrial landscape by providing additional assistance to large corporations and fostering economic growth. MSMEs' emphasis on niche markets, minimal capital expenditures, and effective resource mobilization have made them an essential part of the Indian economy with about 30 million businesses operating. With over 30 million companies in operation, MSMEs have created over 70 million jobs and produced over 6,000 commodities, demonstrating their importance to India's growing economy. The goals of this study are to determine

the size of the sector, calculate employment rates, and examine the influence of MSMEs on the Indian economy.

## **2. LITERATURE REIVIEW:**

Ekiti, Taiwo, and Bako (2013) discovered a vacuum in Nigeria's business development procedure over the last few years: the absence of a solid SME sector. Unfortunately, this sector of India has not played as significant role in the overall nation's economic development and progress as anticipated. The obstacles and difficulties faced by SMEs can only be addressed by a multifaceted and rigorous process including all shareholders, the government and other intervention banks, regulatory authorities, SMEs, workers, and other support organizations. According to the study, the solution to the challenges of SMEs can only be understood if leaders and citizens collaborate. The government should take the lead in spreading their reforms to the educational and corporate sectors, including establishing plans and applications, improving transportation subdivisions, and refurbishing infrastructure services. Katua (2014) discovered that SMEs are the largest employers and capital creators. In past years SME's helps in reduction of poverty level by producing jobs and income, which has a good influence on the fight against infections. They play an important role in winning the nation's economic goals of the service group, reducing sufficiency at lower investment rates, and expanding commercial competences that include native technology. SMEs have contributed to the development of the industrial, service, and agronomic sectors, as well as ICT services, in terms of enhancing productivity, giving value addition, occupation, and trading. Financial and Montreal advancement affects MSMEs' development in the same way that MSMEs' development influences financial progression. As a result, financial and MSME success are inextricably linked. Jessica Marimuthu (2013) examined the financial sustainability of textile enterprises in Tamil Nadu from the perspective of their general managers.

### **Relevance of the study:**

Given that MSME's in India contribute over 45% of GDP annually, their current situation is crucial. Because they make up around half of all jobs, MSMEs in India are extremely important to examine and study.

### **Hypothesis:**

H0: The MSMEs does contributes significantly in the development of Indian economy through providing employment to the rural and urban areas of India.

H1: The MSMEs doesn't contributes significantly in the development of Indian economy through providing employment to the rural and urban areas of India.

### 2.1 Objectives:

- To analyse the present growth and status trends of MSMEs in India.
- To assess the contributions of women entrepreneurs in the MSME sector.
- To examine government initiatives and policy frameworks for strengthening MSME.

### 3. RESAERCH METHODOLOGY:

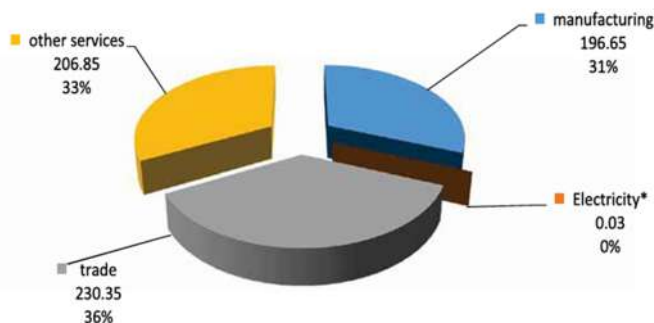
This research report relies solely on secondary data. Several parameters were collected and examined in order to attain these research aims. The statistics were gathered from a variety of studies and official websites of relevant agencies, specifically the Ministry of Micro, Medium, and Small Enterprises of India's Annual Report 2023-2024. Our study examined the data using Microsoft Excel and presented it in tabular and figures representation. To investigate the performance of micro, small, and medium enterprises (MSMEs) in India, the relevant data has been analysed and presented in suitable tables:

#### 3.1 DATA ANALYSIS AND INTREPRETENTION

- Approximate number of MSMEs in the nation According to the National Sample Survey (NSS) 73rd round, organised by the National Sample Survey Office, Ministry of Statistics & Programme Implementation during the time of 2015-16, there were 633.88 lakh unincorporated non-agriculture MSME in the country was into in different economic activities (196.65 lakh in Manufacturing, 0.03 lakh in Non-Captive Electricity Generation and Transmission, 230.35 lakh in Trade, and 206.85 lakh in Other Service). Statement No. 3.1.1 and Figure 3.1.1 illustrate the MSME activity distribution. Statement 3.1.1: approximate number of MSME (Activity-wise)

Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
(1)	(2)	(3)	(4)	(5)
Manufacturing	114.14	82.50	196.65	31
Electricity*	0.03	0.01	0.03	0
Trade	108.71	121.64	230.35	36
Other Services	102.00	104.85	206.85	33
<b>All</b>	<b>324.88</b>	<b>309.00</b>	<b>633.88</b>	<b>100</b>

\*data as per msme annual report 23-24



**Figure 3.1.1: contributions of approximate MSME (Nature of Activity Wise)**

\*data as per msme annual report 23-24

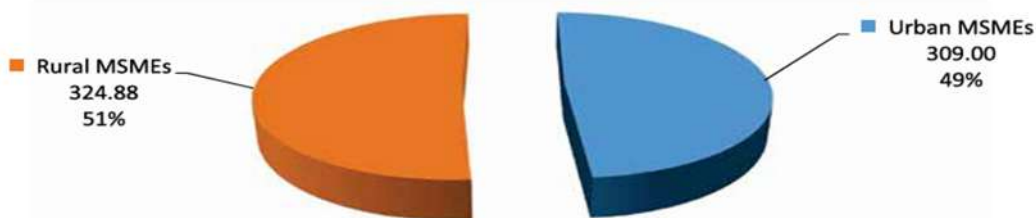
- The micro sector, with an estimated 630.52 lakh companies, accounts for more than 99% of the total estimated number of MSMEs. The small sector had 3.31 lakh estimated MSME, while the medium sector had 0.05 lakh, accounting for 0.52% and 0.01% of total estimated MSME, respectively. Out of an estimated 633.88 million MSME, 324.88 lakh (51.25%) are in rural areas and 309 lakhs (48.75%) are in urban areas. Statement No. 3.1.2 and figure 3.1.2 depict the distribution of firms in rural and urban areas. Annexure-1 includes an estimate of the number of MSME by state.

Statement No. 3.1.2: contribution of Enterprises Category Wise

(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
(1)	(2)	(3)	(4)	(5)	(6)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
<b>All</b>	<b>630.52</b>	<b>3.31</b>	<b>0.05</b>	<b>633.88</b>	<b>100</b>

\*data as per msme annual report 23-24



**Figure 3.1.2: Percentage share of rural and urban MSME in the country**

\*data as per msme annual report 23-24

**• Type of Ownership of Enterprises**

Male/female ownership Out of 633.88 MSME, 608.41 lakh (95.98%) were private businesses. Males were more likely to possess proprietary MSME. Thus, males held

79.63% of all private MSME companies, while females owned 20.37%. There was no substantial difference in this trend between urban and rural areas, however male-owned firms were slightly more prevalent in urban areas than rural areas (81.58% vs. 77.76%).

Statement No. 3.1.3: Percentage contribution of Enterprises in rural and urban areas (Male/ Female ownership and category wise)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
<b>All</b>	<b>79.63</b>	<b>20.37</b>	<b>100</b>

\*data as per msme annual report 23-24

Statement No. 3.1.3: Percentage contribution of enterprises owned by Male/ Female entrepreneur wise

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
<b>All</b>	<b>79.63</b>	<b>20.37</b>	<b>100</b>

\*data as per msme annual report 23-24

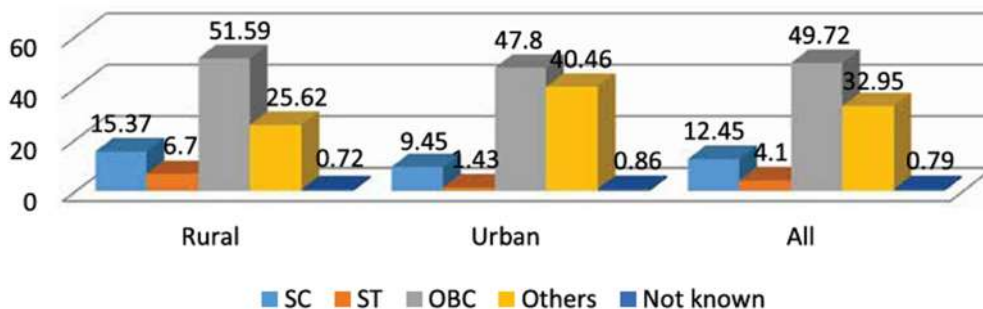
#### ● Ownership of Enterprises Social Category Wise

Socially disadvantaged groups owned around 66.27% of MSMEs. OBC controlled the majority of that (49.72%). SC and ST owners have minimal representation in the MSME sector, with 12.45% and 4.10%, respectively. In rural areas, socially backward groups held over 73.67% of MSME, with OBCs accounting for 51.59%. In urban areas, over 58.68% belonged to socially backward groups, with 47.80% belonging to OBCs.

Statement No.: 3.1.4: Percentage contribution of enterprises by social group of owners in rural and urban Areas.

Sector	SC	ST	OBC	Others	Not known	All
Rural	15.37	6.70	51.59	25.62	0.72	100.00
Urban	9.45	1.43	47.80	40.46	0.86	100.00
<b>All</b>	<b>12.45</b>	<b>4.10</b>	<b>49.72</b>	<b>32.95</b>	<b>0.79</b>	<b>100.00</b>

\*data as per msme annual report 23-24



**Figure 3.1.4: Percentage contribution of enterprises in Rural/ Urban areas (Social Category wise)**

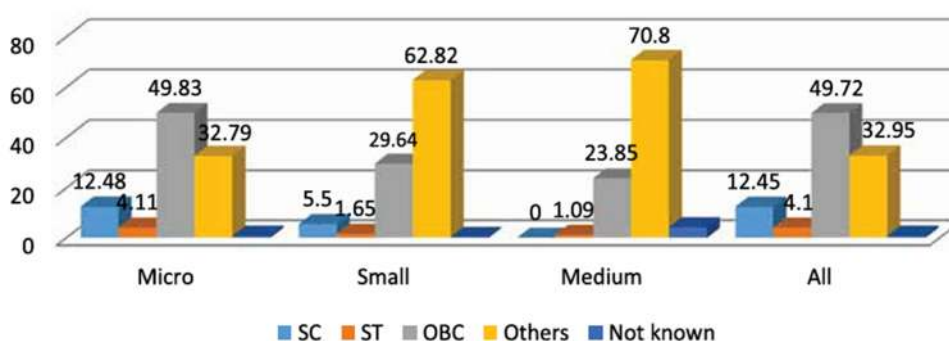
\*data as per msme annual report 23-24

3.1.5: The analysis of enterprises owned by socially backward groups in each of the three segments of the MSME sector reveals that the micro sector had 66.42% of the enterprises owned by socially backward groups, while the small and medium sectors had 36.80% and 24.94%, respectively.

Statement No. 3.1.5: Percentage contribution of Enterprises Social Category Wise

Sector	SC	ST	OBC	Others	Not known	
Micro	12.48	4.11	49.83	32.79	0.79	100
Small	5.50	1.65	29.64	62.82	0.39	100
Medium	0.00	1.09	23.85	70.80	4.27	100
All	12.45	4.10	49.72	32.95	0.79	100

\*data as per msme annual report 23-24



**Figure 3.1.5: Percentage contribution of type of Enterprises by Social Group of the Owner and category**

\*data as per msme annual report 23-24

● **Employment**

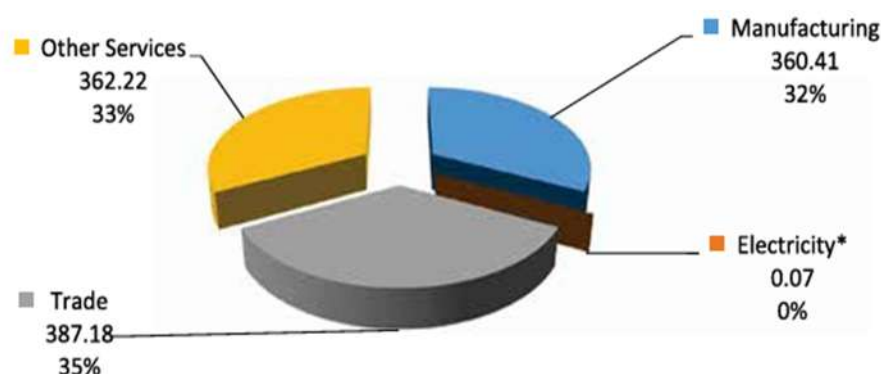
According to the 73rd round of the National Sample Survey (NSS) conducted in 2015-16, the MSME sector created 11.10 crore jobs in rural and urban areas across the country (360.41 lakh in Manufacturing, 0.07 lakh in Non-Captive Electricity

Generation and Transmission, 387.18 lakh in Trade, and 362.82 lakh in Other Services).

Statement No. 3.1.6 shows the contribution of MSME (activity wise).

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
(1)	(2)	(3)	(4)	(5)
Manufacturing	186.56	173.86	360.41	32
Electricity*	0.06	0.02	0.07	0
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
<b>All</b>	<b>497.78</b>	<b>612.10</b>	<b>1109.89</b>	<b>100</b>

\*data as per msme annual report 23-24



**Figure 3.1.6: contribution of employment in the MSME sector category wise.**

\*data as per msme annual report 23-24

3.1.7 : The micro sector, with an estimated 630.52 lakh firms, employed 1076.19 lakh people, accounting for almost 97% of total employment in the industry. The small sector with 3.31 lakh and the medium sector with 0.05 lakh estimated MSME employed 31.95 lakh (2.88%) and 1.75 lakh (0.16%) of total MSME employment, respectively. Statement No. 3.1.7 and Figure 3.1.7 depict the employment distribution by sector in rural and urban areas. Annexure II contains information on the distribution of employment by state.

Statement No.3.1.7: Distribution of employment by type of Enterprises in Rural and Urban Areas

(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
<b>All</b>	<b>1076.19</b>	<b>31.95</b>	<b>1.75</b>	<b>1109.89</b>	<b>100</b>



**Figure 3.1.7: Percentage Share of Rural and Urban MSME in the Country**  
(Number in lakh)

\*data as per msme annual report 23-24

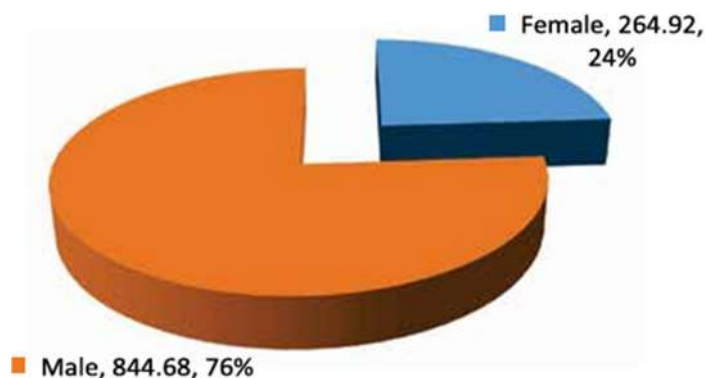
3.1.8: In total of 1109.89 lakh employees in the MSME industry, from that 844.68 (76%) are men, while 264.92 lakh (24%) are women. Statement No. 2.9 and Figure 2.7 depict the sectoral contribution of workers in male and female categories.

Statement No. 3.1.8: contribution of workers by gender in rural & urban areas

(Numbers in lakh)

Sector	Female	Male	Total	Share (%)
Rural	137.50	360.15	497.78	45
Urban	127.42	484.54	612.10	55
<b>Total</b>	<b>264.92</b>	<b>844.68</b>	<b>1109.89</b>	<b>100</b>
<b>Share (%)</b>	<b>24</b>	<b>76</b>	<b>100</b>	

\*data as per msme annual report 23-24



**Figure 3.1.8: contribution of workers in Male and Female Category**

\*data as per msme annual report 23-24

**3.1.9: State-wise contribution of estimated MSME**

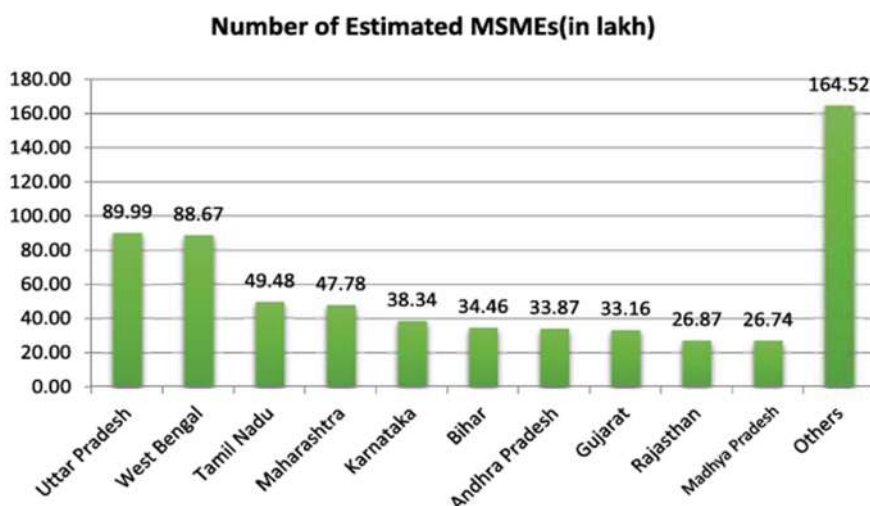
Last year Uttar Pradesh was holding the highest estimated number of MSME in the country, accounting for 14.20% of the total. 74.05% of the anticipated total number of MSMEs in the country were found in the top 10 states.



Statement No. 3.1.9: Show the contribution of approximate enterprises in top ten States

Sl. No.	State/UT	Estimate Number of MSME	
		Number (in lakh)	Share (in %)
1	Uttar Pradesh	89.99	14
2	West Bengal	88.67	14
3	Tamil Nadu	49.48	8
4	Maharashtra	47.78	8
5	Karnataka	38.34	6
6	Bihar	34.46	5
7	Andhra Pradesh	33.87	5
8	Gujarat	33.16	5
9	Rajasthan	26.87	4
10	Madhya Pradesh	26.74	4
11	Total of above ten States	469.36	74
12	Other State/UTs	164.52	26
13	All	633.88	100

\*data as per msme annual report 23-24



**Figure 3.1.8: Contribution of MSME in Top Ten States of India.**

\*data as per msme annual report 23-24

#### 4. Initiatives Taken in Marketing

Marketing is a critical aspect in the growth of MSMEs. Big businesses have plenty of resources to sell their products, but MSMEs require institutional support to gain access to these resources. The necessity of the hour is to assist MSMEs by turning obstacles into opportunities. To attain these objectives, several activities are carried out, such as: NSIC organises a number of technology shows in order to provide Indian MSMEs with more exposure and assist them in exploring new business opportunities. Participation in such shows allows MSMEs to gain exposure to worldwide practices while also demonstrating their business expertise.

Theme-based exhibitions are organized to give marketing opportunities for MSMEs throughout the country. This allows MSMEs to expand their marketing opportunities by entering new markets. Buyer-seller meetings are organized to bring government departments and MSMEs together. It enables MSMEs to understand the requirements of large manufacturers. Intensive campaigns and marketing promotion events are organized to disseminate information about various schemes and the most recent technological advancements in order to boost the marketing potential of products and services. Schemes The IC plan, which was launched by the government to provide financial help for international collaboration, provides financial aid to enterprises for up to 95% of their space rent and flight. Support is provided based on the size and nature of the business. It also covers shared delegation expenses like as freight and insurance, local transportation, secretarial/communication services, and the production of a common catalogue, among others. Under the ATI scheme, assistance will be available for training organisations in the form of capital grants for the creation of infrastructure, as well as support for conducting entrepreneurship development and skill development programmes.

## **5. Conclusion**

MSMEs have a crucial role in establishing job opportunities, supplying goods and services at reasonable prices, and generating foreign cash for the economy through export. The government has implemented a number of steps to increase the vigilance of MSMEs. MSMEs are more likely to experience a broader outlook in the future, thanks to the government's commitment to providing impetus by incorporating it into its industrial policy. Many experts think that MSMEs' contribution of the country's GDP would reach double digits by the end of the decade. Entrepreneurs are the driving force behind MSMEs, which play a crucial structural and dynamic role in every economy. Although the Government of India is taking numerous initiatives to foster entrepreneurship development and MSMEs' growth, there is still a long way to go.

## **6. Hypothesis test:**

**As explained in the figure 3.1.2** we can see the distribution share of rural and urban which proves that how much employment has been increased and its been benefiting many people all around the country.

**As explained in the figure 3.1.9**

It shows the distribution of approximate enterprises in our country's top ten states. It is a very good representation which shows the growth and contribution of each state.

**HENCE, It is proved that**

H0: The MSMEs do contribute significantly in the development of Indian economy through providing employment to the rural and urban areas of India.

H1: The MSMEs do not contribute significantly in the development of Indian economy through providing employment to the rural and urban areas of India.

**So Null Hypothesis H1 is Rejected and Alternative Hypothesis H0, "The MSMEs do contribute in the growth of India by providing employment to the rural and urban areas of India." is accepted.**

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## HEDGE FUNDS IN THE US AND INDIA: A COMPARATIVE ANALYSIS OF GROWTH, REGULATION, AND PERFORMANCE

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### **Abstract: -**

*Hedge funds are investment pools that use complex strategies to generate high returns for investors with high risk tolerance. Many HNI clients are ready to take higher risks, looking for higher returns and they want to deploy their money into futures and options but cannot go to mutual funds and PMS (Portfolio Management Service). So, the only alternative for them is to invest in Hedge Funds. This study reveals how hedge funds operate, who can invest in hedge funds, their charges, lock-in periods of funds, regulations, and policies.*

*Additionally, this study aims to explore the scope of Hedge Funds in India, and a comparative analysis between Hedge Funds in India and the USA.*

**Keywords:** *Hedge Fund, portfolio management, higher risk, higher returns.*

### **Introduction: -**

Hedge funds have existed for a long time. It is generally believed that Alfred W. Jones, who was a writer for Forbes and had a Ph.D. in sociology, started the first hedge fund in 1949, which he ran into the early 1970s. Hedge funds are unregulated pools of money managed by an investment advisor, the hedge fund manager, who has a great deal of flexibility. In particular, hedge fund managers typically have the right to have short positions, to borrow, and to make extensive use of derivatives.

A hedge fund is typically a collection of funds managed by the hedge fund manager normally through a separately organized company, the management company. Hedge funds attempt to find trades that are almost arbitrage opportunities pricing mistakes in the markets that can produce low-risk profits. Once hedge funds have identified an asset that is mispriced, they devise hedges for their position so that the fund will benefit from the correction of the mispricing but be affected by little else.

**Objectives: -**

1. To understand the concept of Hedge Funds.
2. To determine the role of Hedge Funds in Financial Markets.
3. To conduct comparative study between Hedge Funds in India and USA.

**Literature Review: -**

Prof. A. K. Das and Mritunjay have conducted a study on 'Policy and Regulatory Framework of Hedge Fund in India: An overview'. The aim of the study was to examine the rules and regulations of hedge funds in India, and to find out the rules and regulations of hedge fund in selected operating countries of the hedge fund. The major findings of the study were that: The hedge funds in India follow the policy and regulatory framework of the provisions contained in the SEBI (mutual fund) regulations 1993, the SEBI (FII) regulations 1995, the SEBI (Alternative Investment Funds) Regulations 2012 and the SEBI (Foreign Portfolio Investor) Regulations 2014.

In the study of Rene´ M. Stulz which was on the topic 'Hedge Funds: Past, Present, and Future'. It was discovered that the hedge fund industry may have played more of a role in creating liquidity and making markets efficient than the mutual fund industry. The hedge fund industry could do so because it was generally not regulated so that funds were free to take whatever positions they wanted and to make full use of financial innovations. As the hedge fund industry grows, regulation becomes more likely, and large hedge funds are likely to become more similar to financial institutions. However, regulation should leave alone financial innovators who dream of new strategies and find savvy and well-funded investors to bet on them. Without such financial innovators, capital markets will be less efficient.

Prof. A. K. Das and Mritunjay have conducted a study on 'Performance of Indian Hedge Funds in Comparison to Select Global Hedge Funds: An Empirical Study'. The study had two broad objectives such as (i) to evaluate the performance of Indian Hedge Funds and hedge funds of Asia, Emerging market, Australia, China, Japan and Global Hedge Funds, and (ii) to study the interrelationship that exists between the return of Indian Hedge Funds in comparison to Indian Equity Market. In the study, it was observed that the performance of Indian Hedge Funds is significantly behind the performance of the above listed seven hedge funds regions (Asia, Emerging market, Australia, China, Japan and Global Hedge Funds). It is also observed that there exists a positive correlation between Indian Hedge Funds and Indian Equity Market.

Prof.Dr. N.L. Mitra and Amit Bhaskar, have conducted a study on the topic 'Regulatory Approach Towards Hedge Funds' the aim of the study was to find out the legal framework and essential factors to be considered in regulating Hedge Funds in India in the light of existing machinery available in different jurisdictions to regulate Hedge Funds. Hedge Funds bring liquidity to capital markets, and also make capital markets more efficient because they scour the financial landscape for inefficiencies, and then use expertise to structure the optimal investment to take advantage of the opportunity.

**Research Methodology: -**

This research methodology for studying Hedge Funds for this study is based on secondary sources of data i.e. from government statistics, academic journals, market reports, etc. This type of research is also known as desk research.

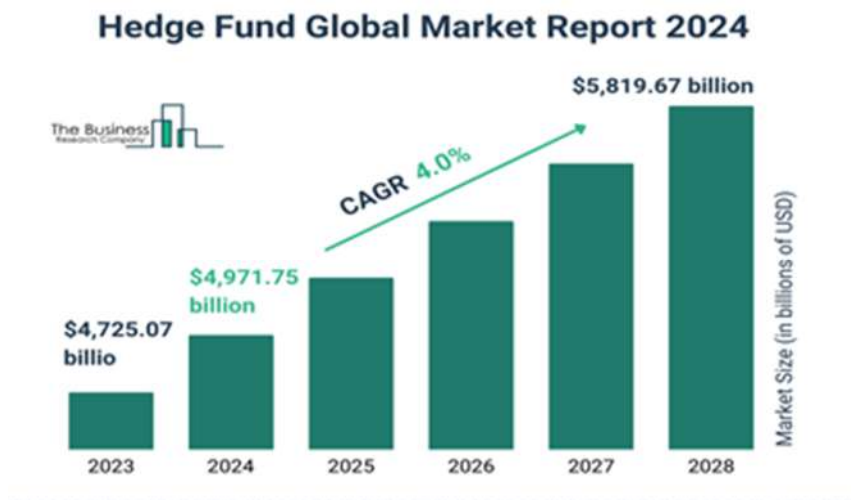
**Findings: -**

Hedge means an investment that is made with the intention of reducing the risk of adverse price movements in an asset, and fund a pool of money that is allocated for a specific purpose, and Hedge Fund means actively managed investment pools whose managers use a wide range of strategies, often including buying with borrowed money and trading esoteric assets, in effort to beat average investment returns for their clients. They deploy complex investment strategies for investment-related decision-making.

In India, the Securities and Exchange Board of India (SEBI) introduced hedge funds in 2012 under the SEBI (Alternative Investment Funds) Regulations. They are classified as category III alternative investment funds and are still in their early stages, needing further regulation.

Since hedge funds do not register with SEC their actual data cannot be independently followed; therefore, hedge fund data is self-reported. Despite the ambivalent image, hedge funds have attracted significant capital over the last decade, triggered by successful track records. The global hedge funds volume has increased from US \$ 50 billion in 1988 to US \$ 750 billion in 2003 yielding an astonishing cumulative average growth rate (CAGR) of 24 %. The global hedge fund volume accounts for about 1% of the combined global equity and bond market. The number of hedge funds increased from 1500 to about 8000 between 1998 and 2003. Estimates of new assets flowing into

hedge funds exceed US \$25 billion on average for the last few years. In the next five to ten years, hedge fund assets have been predicted to exceed US \$ 1 trillion.



### **Importance of Hedge Funds in financial markets.**

Hedge funds can provide benefits to financial markets by contributing to market efficiency and enhance liquidity. Many hedge fund advisors take speculative trading positions on behalf of their managed hedge funds based extensive research about the true value or future value of a security. They may also use short term trading strategies to exploit perceived mis-pricings of securities. Because securities markets are dynamic, the result of such trading is that market prices of securities will move toward their true value. Trading on behalf of hedge funds can thus bring price information to the securities markets, which can translate into 14 market price efficiency. Hedge funds also provide liquidity to the capital markets by participating in the market.

Hedge fund can also serve as an important risk management tool for investors by providing valuable portfolio diversification. Hedge fund strategies are typically designed to protect investment principal. Hedge funds frequently use investment instruments (e.g. derivatives) and techniques (e.g. short selling) to hedge against market risk and construct a conservative investment portfolio – one designed to preserve wealth.

In addition, hedge funds investment performance can exhibit low correlation to that of traditional investments in the equity and fixed income markets. Institutional investors have used hedge funds to diversify their investments based on this historic low correlation with overall market activity. From time to time, allegations are made by market participants about collusion among hedge funds to manipulate markets. Like all

other market participants, hedge funds are covered by both criminal and civil regimes that outlaw various forms of market manipulation and abuse.

### **Reasons for Rapid Growth of Hedge Fund Industry**

While high net worth individuals remain the main source of capital, hedge funds are becoming more popular among institutional and retail investors. Funds of funds (hedge funds) and other hedge fund-linked products are increasingly being marketed to the retail investors in some jurisdictions. There are a number of factors behind the rising demand for hedge funds. The unprecedented bull run in the US equity markets during the 1990s swelled investment portfolios this lead both fund managers and investors to become more keenly aware of the need for diversification. Hedge funds are seen as a natural “hedge” for controlling downside risk because they employ exotic investments strategies believed to generate returns that are uncorrelated to asset classes. Until recently, the bursting of the technology and telecommunications bubbles, the wave of scandals that hit corporate America and the uncertainties in the US economy have led to a general decline in the stock markets worldwide. This in turn provided fresh impetus for hedge funds as investors searched for absolute returns. The growing demand for hedge fund products has brought changes on the supply side of the market. The prospect of untold riches has spurred on many former fund managers and proprietary trades to strike out on their own and set up new hedge funds. With hedge funds entering the main stream and becoming ‘respectable’, an increasing number of banks, insurance companies, pension funds, are investing in them.

### **Comparative study of Hedge Funds of India and USA**

In USA financial markets are regulated by U.S SEC (Securities and Exchange Commission), Historically, hedge funds have operated within the exceptions and exemptions of the Securities Act of 1933 (no public offering is required), Securities and Exchange Act of 1934 (hedge funds are not publicly traded companies), Investment Company Act of 1940 (they are not mutual funds), and, until recently, Investment Advisers Act of 1940 (hedge fund managers are not classified as public investment advisers). However, despite the broad application of exemptions for hedge funds, the general legal framework applicable to financial institutions applied with equal force to the hedge fund industry.

In India, the Securities and Exchange Board of India (SEBI) introduced hedge funds in 2012 under the SEBI (Alternative Investment Funds) Regulations. They are classified



as category III alternative investment funds and are still in their early stages, needing further regulation.

Typically structured as limited partnerships, hedge funds are managed by professional fund managers. Unlike mutual funds, which face strict SEBI regulations and investment restrictions, hedge funds operate with greater flexibility in their strategies.

<b>Aspect</b>	<b>USA</b>	<b>India</b>
Emergence	1949	2012
Regulatory Authority	Securities and Exchange Commission (SEC)	Securities and Exchange Board of India (SEBI)
Fees	A "2 and 20" annual fee structure—a management fee of 2% of the fund's net asset value and a performance fee of 20% of the fund's profits	A "2 and 20" annual fee structure—a management fee of 2% of the fund's net asset value and a performance fee of 20% of the fund's profits
Taxes	0%-20% (LTCG); ordinary (STCG).	10%-15% (LTCG/STCG).
Market Maturity	Highly mature, established systems	Emerging, developing infrastructure
Market Size	Largest, globally	Small, growing
Asset Under Management(AUM)	<b>USD 4.5 trillion.</b>	USD 18 billion

**Conclusion: -**

The USA is a developed country and has well developed financial markets with high liquidity and a long history of hedge fund operations. The USA has a larger number of high net-worth individuals who are ready to take higher risks, looking for a higher rate of return and want to deploy their money in futures and options.

Also, the USA has a well-developed derivatives market, and US hedge funds operate in global markets, which enables the US economy to participate in global financial flows.

In India, the developing and emerging financial markets primarily focus on domestic investors and have limited global outreach, creating several challenges for hedge funds.

These challenges include liquidity issues and the limits on leverage. Additionally, there is a lack of awareness among investors and a lower risk-taking appetite, which further reduces the potential for hedge funds in the country.

Hedge funds in India operate under the Alternative Investment Funds (AIF) regulations established in 2012. These regulations prioritize investor protection, risk containment, and financial market stability. Furthermore, India has a lower total asset under management (AUM) compared to the USA, leading to reduced liquidity and a lack of scalability in the national market.

So this study concludes that due to strict government policies, transparency and accountability concerns hedge funds find it difficult to emerge in Indian financial markets. Also, the conservative investor mindset of Indian investors prefers safer investment alternatives like fixed deposits, gold, real estate, etc. The high-risk high reward nature of funds doesn't align with this mindset.

**Suggestions: -**

In India due to strict guidelines of SEBI and uniform tax policies Hedge fund finds less scope in Indian financial markets. But hedge funds make the financial market more liquid and it also increases the efficiency of the financial market which attracts more foreign investments.

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- THE HISTORY OF HEDGE FUND REGULATION IN THE UNITED STATES  
by WULF A. KAAL Professor of Law, University of St. Thomas School of Law  
Director of the Private Investment Fund Institute

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## A STUDY ON THE ROLE OF ARTIFICIAL INTELLIGENCE IN MANAGEMENT STUDIES

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### **Abstract**

*This research explores the integration of artificial intelligence (AI) in the field of management, focusing on its role in enhancing productivity, decision-making, and business processes. The research purpose is getting to the bottom of how artificial intelligence (AI) modifies the management field as well as shifting the worldwide business market. The study examines various AI-powered tools such as Ayanza, ProofHub, and Trello, which are revolutionizing management by automating tasks, optimizing resource allocation, and providing data-driven insights. Through secondary research, the paper also investigates the opportunities and challenges AI presents, including its impact on human resources, finance management, and organizational efficiency. The research further explores the ethical and social implications of AI, such as job displacement and privacy concerns, offering a balanced perspective on AI's transformative potential in management. The study hypothesizes that AI integration significantly increases employee productivity while contributing to job losses in certain sectors.*

**Keywords** - Artificial Intelligence (AI), Management Studies, Productivity, Decision-Making, Business Processes, AI Tools, Ayanza, ProofHub, Trello, Resource Allocation, Data-Driven Insights, Human Resources Management, Finance Management, Opportunities and Challenges, Ethical Implications, Job Displacement, Automation.

### **1. Introduction**

Artificial intelligence is already moving into many sectors, and management programs are just now starting to see their impact. As AI continues to develop, it is becoming more and more evident that it has the influences to change management methods, improve the decision-making process, and bring into sharp relief the pertinence of

organizational structures. Artificial intelligence and management studies discusses its benefits, limitations, and potential future implications and how AI affects, builds, and changes the social fabric.

### **1.1 Why to Study**

Management studies when AI is included should go a long way to improve efficiency, and repetitive tasks can be done automatically and the remaining time can be used for the management activities that require strategic thinking. We can predict the future ill of the AI and get the skills to use the AI effectively by analyzing its potential which will on the other side enhance our company's competitive edge over the dynamic business environment.

### **1.2 What is Artificial Intelligence (AI)?**

Artificial intelligence, or AI, is an area of computer science which is doing the research in order to design and build smart machines. These are the types of machines that are capable of using logic and learning to operate nearly on their own. These AI machines are designed to work in a manner that artificial intelligence can function as quick as humans by doing work that human cognition usually can do such as speaking the natural language, pattern writing, and task solving.

### **1.3 What is AI in Management Studies?**

AI in management studies is an as pertaining tool of computerized artificial intelligence to boost administrative decision-making and business process. AI makes use of AI tools to analyze data, automate tasks, suggest solutions, and manage business operations (e.g. increasing workers' utilization or cost reduction) thus enabling corporate manager's decision-making to be based on facts and predictions.

### **1.4 How World is Changing with AI**

AI is reshaping the world using automation, data-driven decision making, personalization, healthcare advancements, self-driving cars, personalized education, and creative enhancements. Nevertheless, AI's ethical factors and social consequences must be tackled with care as AI develops further.

### **1.5 How AI may affect the Future**

Technology's groundbreaking success filters down to AI's future which is quite impressive. The technology will most probably result in job loss, health care, transportation, education, and climate change. Nevertheless, high goals, it also contributes to fears such as job cutting, furor, privacy, and abuse.

## 2. Literature Review

**2.1.** (Chen, 2023), AI in teaching and learning management is among the main reasons that were studied by the author. Since the study has been done, they have proven that the students' conceptual knowledge in various fields like robotics, algorithmic thinking, and artificial intelligence can be improved by AI technologies. For example, a chatbot and a virtual tutor are two of the AI solution programs that have been successfully used in management education. They are highlighting how AI can enhance management education. However, it is pivotal to analyse the pros and cons of the use of AI in classrooms.

**Gap-** This paper focuses on AI's role in enhancing students' conceptual knowledge in management education, specifically through tools like chat bots and virtual tutors. Where this paper focusing on implications of AI in management, analysing both its opportunities and challenges across various organizational functions

**2.2.** (Y. Luo), The author did a study on the management of artificial intelligence. It, indeed, being a huge topic, is discussed on what is artificial intelligence and the difficulties involved in using it. The expression "artificial intelligence" defines a set of modern technologies, which are based on human intelligence, that help the machines to address the problems they confront. AI enables enterprises to grow in ways that are out of reach for the majority of them. However, there are drawbacks as well, the most commonly cited of which are fears about privacy, loss of one's work, and spying.

**2.3.** (Cristina Almaraz-López, 2023), Their research revealed that while most students understand the implications of artificial intelligence, they are not well-versed in the subject and express a need for a more thorough education in it. Higher education institutions must modify their curricula to include courses on artificial intelligence (AI) in order to provide students the tools they need to succeed in the rapidly changing digital world.

**Link:** [scholar.google.com/scholar](https://scholar.google.com/scholar)

**2.4.** (Igbokwe, 2023), Among the topics touched on are the pros and cons of AI in school management by the author. The present study, with the help of a thorough examination of the literature, brings forth how AI can be a possible means to save expenses, also how it can enhance the student's engagement, and assist the customization of instruction. However, ethical issues, the relevance of AI, and the need for labor reskilling have been mentioned as major roadblocks. In the light of this study,

AI is seen as having great potential in enhancing school management so it must be carefully controlled.

**Link:** <https://scholar.google.com/scholar>

**2.5.** (Ting Wang, 2023), The writers of the text deal with the utility and problems of implementing AI in the educational field where it can give a global vision of learning for the foreign students. Apart from the chatbots, personalized learning, adaptive testing, and predictive analytics, which the paper is talking about, it also deals with privacy, cultural differences, and ethical matters. It contains the clear report analyzing the major advantages and the challenges of AI-based education and the immigration protection of the international students is a restatement of AI's potential in solving worldwide issues.

**Link:** <https://www.mdpi.com/2076-3417/13/11/6716>

**2.6.** (Jones, 2023), Global scholars explore the challenges and prospects of AI in ameliorating the experiences of the international students. The authors investigate AI's capacities of personalized learning, adaptive testing, predictive analytics chatbots and security of data privacy, ethical aspects, and cultural differences that accrue from these technologies. On the one hand, the above-mentioned topic is a large obstacle but can also be considered a seeding of an incredible grassland that boosts learning efficiency introducing the other side of the concept with the example of the use of AI to improve learning efficiency and help international students support and enhance technology, leading academic staff to better realize the potential of it.

**Link:** <https://www.sciencedirect.com/science/article/pii/S1472811723000952>

**2.7.** (Ivanov, 2023), The author assesses the threats and benefits brought about by ChatGPT to management educators. The research explains the simplicity and cost of ChatGPT, which leads to difficulties for assessments in detecting its use. The authors emphasize the need to institute regulations on ChatGPT, so that the other management educators can start implementing them as soon as possible. The use of generative AI tools in tandem with authentic learning by assisting students with the technology, thus, the study acts as a conduit through which the literature on the conceptual perspectives underpinning the integration of technological innovations in teaching practices can be developed.

**Link:** <https://www.tandfonline.com/doi/full/10.1080/02642069.2023.2258799>

**2.8.** (Bhima, 2023), Artificial intelligence is beginning to disrupt a variety of industries, and management studies are just beginning to experience the consequences of this. The

growth of AI technologies certainly makes the statement 'the future has arrived' accurate. To be more specific, AI can now re-engineer business processes, make org decisions less bias laden, and systematize procedures for task-focused operations. This is where managers of nowadays struggle mostly and lose to the capabilities of artificial intelligence and the facilities that technology will provide in routine and recurring tasks that is in the process of transformation.

**Link:** <https://ijc.ilearning.co/index.php/ATM/article/view/2146>

**2.9.** (Vijay Pereira, 2023), Artificial intelligence is beginning to disrupt a variety of industries, and management studies are just beginning to experience the consequences of this. The growth of AI technologies certainly makes the statement 'the future has arrived' accurate. To be more specific, AI can now re-engineer business processes, make org decisions less bias laden, and systematize procedures for task-focused operations. This is where managers of nowadays struggle mostly and lose to the capabilities of artificial intelligence and the facilities that technology will provide in routine and recurring tasks that is in the process of transformation.

**Link:** <https://www.sciencedirect.com/science/article/abs/pii/S105348222100036X>

**2.10.** (Soumyadeb Chowdhury, 2023), Take the challenge of the AI-HRM capability development under the lens of the organizations' resources. In an elaborate and holistic way by involving various scientific disciplines, the researchers outline the criteria to be met by companies, particularly the necessity for non-technical factors like leadership, theory, organizational culture, governance strategy, AI-employee integration strategies as a foundation to assure that the AI technology deployed by them is capable of delivering the intended benefits.

**Link:** <https://www.sciencedirect.com/science/article/abs/pii/S1053482222000079>

**2.11.** (Tajudeen, 2023), The research disclosed that AI is used for, mainly, recruitment, evaluation of potential, HR share all services, L&D, reporting and analytics, and help desk. The qualitative study conducted by the authors revealed that usage and impact of AI in HRM are among the most explored by the Malaysian companies. This is in line with innovation in other different elements such as automation, augmentation, and grinding levels of HR, which in turn translates into HR technology. The researchers disclosed the forthcoming in support of the proposal for AI technology to be used for recruitment, communication with new employees and recruitment processes.

**Link:** <https://onlinelibrary.wiley.com/doi/abs/10.1111/1744-7941.12356>

**2.12.** (Neelam Kaushal, 2023), This research states the importance of Artificial Intelligence (AI) requires a thorough examination. According to them, although this topic has received increased attention from researchers over the last twenty years, no overall assessment has been carried out. Therefore, this research intends to bridge that gap by providing direction for future research and assisting managers on how to use AI for improved results at work. Their study represents an initial systematic literature examination in this field.

**Link:** <https://link.springer.com/article/10.1007/s11301-021-00249-2>

### **3. Research methodology**

#### **3.1 Objective of Study:**

1. To understand the role of AI in management field
2. To analyze the opportunities and threats of AI in management field

#### **3.2 Research Design**

This research will make use of a secondary research methodology that will use existing data from reliable sources like academic journals, industry reports, online databases, and archival records to come up with a better understanding of the role of artificial intelligence in the field of management. Through the review of related literature and gathered evidence, this technique aims for a detailed scrutinizing of AI applications and challenges in management.

### **4. AI Tool used in Management Studies**

#### **4.1 Ayanza**

Ayanza is an AI-powered project management tool offering a comprehensive suite of features to enhance team productivity. It is an efficient AI task manager that helps keep track of progress and automate reminders. Ayanza simplifies project planning and execution. Its advanced analytics and forecasting capabilities provide valuable insights to make informed decisions and ensure projects are delivered on time and within budget.

#### **3.2 ProofHub**

ProofHub is a combination of all-in-one AI project management tools such as project planning and task management that takes collaboration on projects to a core location. It is suitable for those wanting to successfully create their own workflows, manage files, and make live talks among staff members. The time tracking and reporting tool powered by AI result in rational resource allocation and the evaluation of performance.



### **3.3 Trello**

Trello is a popular AI-based project management software that uses boards, lists, and cards to organize tasks and workflows. Teams can collaborate seamlessly, set deadlines, and priorities tasks for streamlined project progress. Trello's integrations with other software make it versatile for various industries and project types.

### **3.4 ClickUp**

ClickUp is an AI-powered productivity platform that combines project management, doc storage, and communication in one place. Its customizable interface and automation features empower teams to tailor the tool to their unique workflows. ClickUp also offers time-tracking and goal-setting functionalities to boost overall productivity.

### **3.5 Notion**

Notion is an AI-integrated workspace that enables teams to collaborate on documents, databases, and tasks. With its powerful organization capabilities and intuitive design, Notion facilitates seamless knowledge sharing and project planning. The AI-driven database templates make it easy to structure and manage information efficiently.

### **3.6 Asana**

Asana is a renowned AI project management software that simplifies task tracking, project planning, and team communication. Its timeline view and progress visualization help teams understand project status at a glance. It is a powerful AI task manager and a smart scheduler that assists in optimizing task assignment and resource management.

### **3.7 Wrike**

Wrike is a robust AI-enhanced project management platform that facilitates cross-functional team collaboration. Its intelligent automation streamlines repetitive tasks and ensures efficient project execution. Wrike's customizable workflows and reporting tools offer insights to make data-driven decisions.

### **3.7 Basecamp**

Basecamp is one of the most widely-used AI tools for management because of its user-friendly interface. It is more focused on team communication and collaboration. With its message boards, to-do lists, and scheduling features, Basecamp simplifies project coordination and fosters transparency among team members.

### **3.8 Monday**

Monday, an intuitive AI-infused work operating system, offers a visual platform for project planning and collaboration. Its automation features reduce manual efforts, while its integrations with popular apps streamline workflow processes.

### **3.9 Microsoft Project**

Microsoft Project is a classic AI-powered project management software that remains a powerful choice for planning, scheduling, and resource management. With its Gantt chart visualisation and robust reporting, it caters to the needs of both small and large-scale projects.

### **3.10 Teamwork**

Teamwork is one of the best AI tools for management that provides project planning, task tracking, and team communication capabilities. Its intuitive interface and time-tracking features help teams stay on top of deadlines and maintain optimal productivity.

### **3.11 Project Insight**

Project Insight is an AI-driven project and portfolio management tool offering comprehensive planning, tracking, and reporting solutions. Its AI-based assets management system enables efficient allocation of resources, while its budget tracking ensures projects stay on target financially.

## **4. Data Analysis**

### **4.1.1. Role of AI**

AI is revolutionizing management tools, offering advanced automation, data driven insights, and personalized decision-making, which leads to significant productivity increase across various fields, such as:

### **4.1.2. Human Resources Management**

- **Automated tasks:**

AI can automate the processes like resume screening, candidate sourcing, and employee onboarding, allowing HRs to focus on more urgent tasks.

- **Data-driven insights:**

AI offers the ability to analyze employee data to pinpoint skill gaps, forecast trends, and enhance workforce planning. For instance, AI can analyze employee engagement surveys to reveal likely issues and proffer suggestions to help resolve them, thereby improving retention and productivity.

- **Personalized development:**

AI can analyze performance data of employees to identify training needs and recommend personalized development plans, resulting in a more engaged and skilled workforce.

#### **4.1.3. Finance Management**

- 1. Automated data entry:**

AI reduces errors and saves time by automating data entry and repetitive tasks while improving the accuracy and efficiency.

- 2. Predictive analytics:**

AI forecasts financial trends, identifies risks, and optimizes investment strategies. For instance, AI can analyze market data to predict economic downturns and help organizations make informed decisions about their investments.

- 3. Fraud detection:**

AI algorithms can detect fraudulent activities more efficiently than traditional methods, reducing financial losses and protecting organizational assets.

#### **5.1.2. Marketing Management**

- **Personalized campaigns:**

AI can use customer data to identify the right people to reach and then drive them towards taking certain actions, helping increase conversions and ROI.

- **Predictive analytics:**

AI predicts consumer behavior and uncovers opportunities for sales allowing agents to reach out to consumers proactively and close deals.

- **Social media automation:**

AI can automate social media tasks such as content scheduling and engagement resulting in saving time and improving results.

#### **4.1.4. Operations Management**

- **Process automation:**

AI automates the repetitive processes such that employees are made available for more strategic work easily and effectively.

- **Predictive maintenance:**

Using AI for examining the data of equipment to predict possible failures and substitute course of action in a time-effective manner and avoids further downtime and reduction in cost spent towards portable equipment.

- **Supply chain optimization:**

AI optimizes inventory levels, transportation routes, and logistics reduce costs and improve efficiency of the process.

#### 4.1.5. Strategic Management

- **Data-driven decision-making:**

AI provides insights into market trends, customer behavior, and competitor activities, enabling organizations to make informed and strategic decisions.

- **Scenario planning:**

AI generates various future scenarios to help organizations prepare for potential challenges and opportunities, improving their adaptability.

- **Risk assessment:**

AI can analyze data to identify and assess risks, enabling organizations to take proactive measures to counter them.

#### 4.2. Opportunities and Threats

(Neelam Kaushal, 2023)

##### 4.2.1. Opportunities

- **Economic Growth:**

AI can create new industries, stimulate productivity, and foster innovation.

For example: AI-powered automation can help companies lower their operating costs by automating repetitive tasks for better concentrate on the more value-adding tasks.

- **Enhanced Decision Making:**

AI can offer valuable assistance that helps managers make reliable decisions. It can analyze data in vast quantity and, identify patterns and correlations that might not be easily visible to a human officially analyzing the data which can help managers make more data-driven decisions.

- **Automation and Risk-Based Balance:**

Using AI software automates the activities of repetitive work and supplements the proficiency regarding saving money. AI tools can automate tasks such as, managing communications with customers, basic reporting, and analysis of the reports wherever required, allowing a manager to focus on more strategic work.

- **Ethical Decision-Making:**

AI has the potential to support ethical decision-making by identifying and addressing biases. AI software can be designed to identify and criticize biases in data and in the decision-making process, enhancing the fairness and ethical value of the decisions.

#### 4.2.2. Threats

- **Job Disruptions:**

The automation of jobs could lead to the elimination of human labor in specific sectors. As AI advances, it can automate many tasks that people currently perform, leading to the elimination of jobs in certain sectors.

- **Ethical Issues:**

AI raises ethical issues about privacy, and accountability. AI can gather and analyze vast amounts of personal data, raising concerns about privacy and protection of data.

- **Security Threats:**

AI could be exploited to build security loopholes to be used against targets. AI-based attacks could be more advanced and difficult to detect than traditional attacks. It raises the risk of data hijacking and manipulation by unauthorized organization.

- **Social Inequality:**

If not implemented correctly AI could render the balance of the society by overtaking multiple job opportunities, provide excessive power to certain individuals, and compromises privacy of users, it could create greater differences in existing inequalities such as income and opportunity.

## 5. Findings

### 1. **The integration of AI tools and technologies within organization leads to a significant increase in employee productivity.**

- AI provides automation, data driven insights and personalized development plans to management resulting in increased in employee productivity.
- AI technology can help HR professionals to automate repetitive tasks such as resume screening and candidate sourcing, allowing them to focus on strategic work.

- AI-driven analytics can detect gaps in an individual's skills and recommend necessary input for their training based on the analyzed data, aiming to improve employee development.
- 2. The recent increase in job losses is significantly influenced by the adoption and integration of AI technologies.**
- It raises concerns that technological advancement achieved by AI may displace jobs.
  - The research signifies the importance of well-informed policies on AI technologies developed and more gradual implementations to minimize its effects on labor.
  - It indicates that increased focus on training and retraining the workforce can help organizations to utilize the benefits of AI with fewer job losses.

### **Conclusion**

- **AI is a transformative force in management:**

In this digital era, automation of tasks, insight from data, and systems of personal decision-making has become the new revolution of AI in management. It means that while AI may eliminate one job, it will probably create another; the overall benefit of AI exceeds the potential costs, greater productivity, accurate decision making and efficiency.

- **Ethical considerations of AI:**

Introduction to AI has greatly contributed in the development of technology but it has also led to a greater threat of privacy and accountability. Organizations have to plan and implement AI ethically to get desired results.

- **Strategic planning is essential:**

AI requires strategic plans for utilizing the investment in training and up-skilling of employees for gaining the benefits of this technology, and to avoid its misuse.

### **Recommendations:**

- **Investment in AI education and training:**

Organizations should invest in training programs so that the working force can be prepared for an era of AI, where employees are equipped with relevant skills to work alongside AI technologies.

- **Prioritize ethical AI development:**

The first step in ethical AI development and use should be such the development and use of AI fair and transparency of data.

- **Promote an innovative culture:**

For the proper benefit of AI, the organization should be able to generate a culture that encourages experimentation and innovation in the adoption of new technologies.

- **Monitor and update AI strategies:**

Organizations with the evolution of technology of AI should continuously keep on monitoring and updating their AI strategies in such a manner that they support business objectives.

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## A CASE STUDY ON SAM BANKMAN-FRIED AND THE FALL OF FTX

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### **Abstract**

*The FTX, it was a name that symbolized innovation in the cryptocurrency world. Founded in 2019, it rose to become a leading crypto exchange within a very short time, attracting billions of dollars in investments. The trust built up through marketing and innovative solutions went up with it. But, the fall in 2022 exposed the dark side: mismanagement, conflicts of interest, and system failures. This paper tells the FTX journey as more than a story of success and failure but also as a cautionary tale, which has a lesson for the future of cryptocurrency.*

**Keywords:** *Cryptocurrency, Investments, Innovation, FTX*

### **Introduction**

In the crypto world, fortunes were made and lost in very short span; FTX, with its founding young and energetic poster boy Sam Bankman-Fried, seemed to be the apparent success story. All looked okay at first glance, but closer inspection found cracks that would eventually bring it crashing down.

The story of FTX is not only a matter of numbers and technology but also ambition, trust, and an unchecked power to change the world. This paper tells the rise and fall of FTX and its impacts on the public and the crypto world.

### **Objectives:**

1. Examine FTX's rise and success, focusing on its innovative products, acquisitions, and market positioning.
2. Explore the factors behind FTX's rapid growth, including marketing, celebrity partnerships, and appeal to investors.
3. Analyze the challenges leading to FTX's downfall, with a focus on financial mismanagement, transparency issues, and leadership failures.

4. Provide suggestions for cryptocurrency based on the impact of FTX's collapse on the cryptocurrency industry and investor trust in centralized exchanges.

## **1. The Rise of FTX: A Dream Fulfilled**

### **I. Beginning**

Founded by Sam Bankman-Fried, known as SBF, and Gary Wang in 2019, two young entrepreneurs filled with zest, with an aim to create an exchange that would solve the ills of the extant crypto platforms. SBF brings the view of the trader regarding the complexity of crypto along with the experience of being a quantitative trader at Jane Street Capital. The technical backbone is provided by Gary Wang, a former Google engineer.

FTX differed itself from the other competitors as a marketplace, not only for the purchase and sale of cryptocurrencies. The platform was primarily created for traders. The platform could offer its users leveraged tokens, futures contracts, and options trading-all tools which one seldom finds in crypto exchanges. FTX's slogan, "Built by traders, for traders," was less of a marketing ploy than an affirmation that it aimed to understand and cater to the unique needs of its customers. A Notable Launch

Launched with cryptocurrencies that were becoming fairly popular but definitely not in the mainstream category, FTX comes with advanced financial instruments that will attract professional traders who need something with flexibility and precision. High liquidity, and an attractive interface with meagre fees meant early adopters were drawn to those volatile crypto markets.

An active involvement of the community differentiated FTX. It created trust and loyalty among the growing traders' base due to regular AMA sessions, user feedback-based updates, and educational content.

### **II. Innovative Products and User-Centric Design**

The innovation was not limited to a couple of few trading tools in FTX. The platform introduced:

Leveraged Tokens: Traders could take leveraged positions without complicated margin trading complexities.

- **Prediction Markets:**

Allowed the user to predict or make bets about the actual outcome of real-life events, including elections or sport outcomes.

- **Tokenized Stocks:**

It helps bridge the gap between the stock markets and crypto, tokenizing versions of stocks, for example, Tesla.

The above features were no longer just improvements but a completely new paradigm in thinking about finance. FTX managed to appeal to a wider user community by using this strategy yet remained open to veteran professionals.

Acquisitions and Expansions

### **III.Strategic Acquisitions and Expansion**

A major success story for FTX was in 2020 when the company acquired Blockfolio, which is a widely used application to track portfolios. This was more than just a financial transaction or a simple merger and acquisition, but rather it was a strategic move to get retail investors on board the FTX ecosystem. With the large number of users already on Blockfolio, FTX had an immediate audience for its products, enhancing its growth as well as solidifying its place as a platform that caters to traders across all levels.

### **IV.Bold Marketing and Brand Visibility**

FTX adopted an aggressive strategy toward its international operations, particularly regarding the intricate regulatory landscapes of various countries. As competitors suffered setbacks due to ambiguous or overly restrictive policies, FTX was able to operate in over 100 countries. This placed FTX at the forefront of the global market. Aggressive marketing and brand promotion.

The rise of FTX was a combination of innovative practices and strategic planning, but it mainly embodied brilliant marketing savvy. Knowing that the brand needed more exposure, FTX took bold steps that really pushed it to the top. • Sponsorship: Naming the Miami Heat's arena "FTX Arena" was more than just an exposure move; it was a strong statement.

- **Celebrity Partnerships:**

Association with Tom Brady, Steph Curry, and Gisele Bündchen brought FTX to a broader horizon.

- **Philanthropic Activities:**

SBF publicly embracing effective altruism, earning to give in particular, portrayed him as a socially responsible leader that increased the attractiveness of FTX.

## **V. Financial Backing and Market Confidence**

The growth of FTX was vastly boosted by extensive funding from investors like Sequoia Capital, SoftBank, and Temasek. Until 2021, the company managed to raise over \$1 billion in cumulative funding rounds with a valuation at \$32 billion. Such funds not only ensured the company got the necessary investment for growth but also gave credence to its legitimacy in the industry, largely criticized for poor transparency. FTX's culture extended beyond the business itself-it tried to create a community. There were educational programs, grants, and even avenues for open communication that began to lend that necessary belonging toward users. It wasn't just a platform; it was a movement echoing the crypto community's values: innovation, inclusivity, and disruption.

### **2. FTX's Downfall: Trust Betrayed**

#### **I. Cracks in the Facade**

The collapse of FTX did not start with a bang but with subtle hints. At the end of 2022, rumours started to surface about the connection between FTX and Alameda Research, a trading firm also founded by Sam Bankman-Fried. What initially seemed to be two independent companies were, in fact, interlinked. There were claims that Alameda was highly reliant on FTT, the native cryptocurrency of FTX, as collateral for loans-an unstable situation considering the volatile nature of cryptocurrencies. Things went on to escalate during the first week of November as a leaked balance sheet from Alameda revealed that its financial position hinged much on the valuation of FTT. The cryptocurrency world went into a tizzy, and people began to question whether FTX was stable enough to return withdrawal requests to its customers.

#### **II. The Binance Catalyst**

It is reported that, on November 6, 2022, the biggest early investor in FTX and a rival exchange, Binance, revealed it would liquidate a substantial amount of its holdings of FTT tokens because of a litany of claims of mismanagement. This inadvertently triggered a run on FTX by the decision of Changpeng Zhao, Binance CEO, to characterize the step as a risk management move.

However, the news that frightened the public drove it running to draw out their hard-earned. FTX-the exchange, applying a fractional reserve model normal to most in the financial community-could no longer keep its doors open against the rush orders. Liquidity problems exposed what lay behind deeper issues:

insufficiency in reserves to meet obligations and in large parts were tied up by illiquid, or misemployed assets.

### **III. House of Cards**

As the situation unfolded, it became apparent that FTX had mismanaged customer funds. The accounts indicated that billions of dollars contributed by users were being sent to Alameda Research and used for speculative trades and investments. This commingling of funds not only raised ethics and morals but also potentially infringed on prevailing law under well-established tenets by denying the basic trust customers had placed in the exchange with their money.

Internally, the workforce was caught off guard. Many employees had faith in the goals of FTX and were unaware of the dangerous decisions that management was making. For a company that had prided itself on transparency and innovation, the revelations became catastrophic. The Crisis of Leadership It is unfortunate that the public response of Sam Bankman-Fried to the crisis only made things worse. First, he minimized how bad things were by saying, on Twitter: "Assets fine." Then, as customers continued to withdraw and insolvency became apparent, so did SBF's credibility end. The subsequent interviews revealed a stunning lack of accountability. SBF oscillated between vague apologies and attempts to deflect blame to market forces or other competitors. For a person who was previously hailed as an innovative leader, his response to the crisis marked a stark deviation from the composed and strategic image he had created.

### **IV. The Final Blow: Bankruptcy**

FTX filed Chapter 11 bankruptcy on 11 November 2022, marking one of the biggest collapses ever in the history of finance. Over 130 related companies followed on the filing list. The scale of the insolvency was shocking, with reports stating FTX owed billions of dollars to creditors.

For the customers, the news was catastrophic. Many lost their entire holdings, with little hope of recovery. For the broader crypto industry, the collapse sent shockwaves, undermining trust in centralized exchanges and fueling skepticism about the sector's long-term viability.

### **V. The Human Cost**

The other human price of the implosion of FTX was financial, which appeared in the shape of its ramifications on users. Retail investors who viewed this exchange as an entry point into cryptocurrencies were left with losses that would forever alter

their lives. FTX employees-most of whom gave up successful careers for the mission and vision of the company-face unemployment and tarnished reputations through association with the firm. The FTX collapse was a failure of more than a corporate sort. It was a mass betrayal of trust. The virtues that propelled it to the top-ambition, innovation, and charisma-became the accelerants of its fall.

### **3. Lessons from FTX's Collapse**

#### **I. The Human Cost**

Billions lost aside, the real tragedy in the collapse of FTX is what happened to human lives. A good number of retail investors have been left battered by the destruction that FTX caused. Workers who had foregone stable employment for the vision at FTX were left unsure of their future.

#### **II. Transparency and Governance Matter**

The FTX implosion reminds us of the separation of personal ambition and corporate governance. In a system without oversight, where SBF is unchecked, a disaster is waiting to happen.

#### **III. The Call for Regulation**

While cryptocurrencies thrive by decentralization, FTX's collapse proved that an unregulated market is also dangerous. Going forward, innovation and accountability have to find their balance so that such disasters do not happen again.

#### **Conclusion**

Following the FTX incident, the cryptocurrency industry faces significant challenges in its efforts to rebuild trust. While measures such as proof-of-reserves audits and increased transparency have gained some momentum, doubts continue to persist.

Renewed Interest in Decentralized Exchanges Ironically, the FTX collapse has once again brought interest to decentralized exchanges. DEXs eliminate the need for trust in third parties. In their own limitation, DEXs do seem to offer an inkling into a safer future.

#### **Suggestions**

Based on the analysis of FTX's rise and fall, the following recommendations aim to strengthen the cryptocurrency ecosystem and prevent similar failures in the future:

##### **1. Regulatory Supervision:**

Comprehensive regulatory frameworks that include audits, reporting standards, and compliance procedures will enhance transparency and protect the interests of investors.

**2. Separation of Funds:**

Regulation of cryptocurrency exchanges to segregate customer funds from operational funds will avoid misuse and ensure the safety of user assets.

**3. Transparency and Accountability:**

Require prompt disclosures about financial conditions, including reserve verification and risk exposure, to maintain investor confidence.

**4. Strengthened Corporate Governance:**

Provide strong governance structures that include independent boards and oversight committees to allow for fair and ethical decision-making.

**5. Investor Education and Awareness:**

Enhance education initiatives for investors on the nature of risks inherent in cryptocurrency to encourage informed decisions and reduce vulnerability to fraudulent schemes.

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**ILIPPING THE GAME: REAL ESTATE PRIVATE EQUITY  
(REPE) MEETS MARKETING MASTERY.**

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### **Abstract**

The integration of marketing strategies within real estate private equity (REPE) has significantly transformed the investment landscape, enhancing transparency, trust, and accessibility for a broader range of investors. This paper examines how innovative marketing techniques, including digital campaigns, ESG-driven narratives, and personalized outreach, have reshaped investor acquisition and retention in REPE, particularly in India. It highlights the growing importance of sectors like commercial real estate, logistics, and sustainable development, while also addressing how marketing aligns with these industry trends.

Through empirical data and insights, the study emphasizes the critical role of marketing in fostering global competitiveness, investor confidence, and long-term growth in the evolving REPE sector.

**Keywords:** Real Estate Private Equity, Marketing Strategies, ESG Compliance, Investor Engagement, Growth Analysis, Data-Driven Campaigns

### **Introduction**

Real estate private equity represents a blend of financial expertise and real estate acumen. Traditionally dominated by institutional players, REPE is increasingly accessible to retail investors due to advancements in marketing. Marketing strategies have transitioned from conventional methods to digital-first campaigns, focusing on transparency, sustainability, and investor-centric narratives. This paper explores the importance of marketing in REPE and its impact on fund performance and investor retention, emphasizing the Indian market.



**Background**

The real estate sector in India has undergone a significant transformation over the past few decades, driven by rapid urbanization, economic growth, and evolving government policies. The sector has long been an attractive destination for investment, contributing around 7% to India's GDP and offering substantial returns in both commercial and residential properties. However, the rise of private equity (PE) in real estate has marked a paradigm shift, as institutional investors like Blackstone, Brookfield, and others have increasingly focused on Indian real estate as a lucrative investment opportunity.

The real estate private equity landscape in India began to take shape in the early 2000s, with the introduction of more structured investment models, such as Real Estate Investment Trusts (REITs) and Alternative Investment Funds (AIFs). These models provided investors with more avenues to participate in the real estate market without the need for direct ownership, thus democratizing the sector. As the market matured, the influx of PE capital significantly accelerated, especially in the post-2010 era, when the focus shifted toward commercial real estate, logistics, and warehousing due to the rapid expansion of e-commerce and infrastructure projects.

Parallel to this growth, marketing in the REPE sector has evolved from traditional approaches of direct relationship-building and networking to data-driven, digital-first strategies. Marketing has become an essential tool for bridging the gap between investors and complex real estate portfolios. Effective marketing strategies now include targeted digital campaigns, transparency in project reporting, and narratives emphasizing sustainability and long-term profitability. These efforts have been crucial in attracting a diverse pool of investors, ranging from high-net-worth individuals to institutional players, all of whom are seeking both financial returns and alignment with socially responsible investments.

**Origin of the Research Problem**

The rapid growth of real estate private equity (REPE) in India, driven by increased investor interest and regulatory reforms, has highlighted the need for effective marketing strategies to attract and retain investors. Traditionally dominated by institutional players, the sector is now more accessible to a broader range of investors, including millennial and those seeking sustainable investment options. However, the challenge lies in aligning marketing strategies with investor expectations, emphasizing transparency, sustainability, and long-term value. This research problem arises from the

need to explore how marketing can enhance investor engagement and drive the growth of REPE, especially in the evolving Indian market.

## **Marketing in Real Estate Private Equity**

### **Evolution of Marketing**

Marketing in REPE has evolved from relationship-based approaches to data-driven strategies:

#### **Digital Campaigns:**

Leveraging platforms like LinkedIn, Google Ads, and Instagram for precise targeting.

#### **Transparency Tools:**

Virtual tours and real-time updates via email and apps.

Sustainability Narratives: Emphasizing ESG (Environmental, Social, and Governance) compliance to attract global investors.

## **Marketing Strategies in Action**

### **Data-Driven Campaigns:**

Utilize analytics to target investors effectively. Exclusive Investor Events: Physical and virtual meetups to showcase projects.

### **Strong Brand Messaging:**

Focus on long-term returns, transparency, and sustainability.

## **Relevance of Marketing in Private Equity Marketing is integral to REPE for:**

Simplifying complex investment products for diverse audiences. Ensuring global reach and appealing to institutional and retail investors. Building trust through transparent communication.

## **Data Analysis and Insights**

- **Investment Growth Trends**

Private equity inflows in Indian real estate grew significantly over recent years:

2020: \$3.2 billion

2021: \$4.5 billion

2023: \$5.6 billion

- **Sectorial Distribution**

Investment distribution across sectors in 2023:

Commercial Real Estate: 50% Logistics and Warehousing: 25% Residential Developments: 20%

Others: 5%

- **Marketing Impact on Investor Acquisition**

Digital Campaigns: Increased investor engagement by 70%.

Event-Based Marketing: Contributed to closing deals worth ₹1,000 crores in 2023.

ESG Narratives: Boosted investor retention rates by 25%.

- **Investor Demographics**

60% of investors prefer transparency as a key factor. 40% of new investors were influenced by ESG-focused campaigns. Younger demographics (25–40 years) account for 45% of new investments.

- **Growth Scope and Analysis**

- **Sectorial Potential**

Commercial Real Estate: Expected CAGR of 9% through 2030.

Logistics: Anticipated to grow by 15% annually due to e-commerce expansion.

Affordable Housing: Boosted by government incentives and urbanization.

- **Marketing's Role in Sectorial Growth**

Marketing strategies have enhanced sector visibility, investor trust, and global competitiveness.

### **Objectives of the Study**

1. To analyse the influence of marketing on REPE growth and performance.
2. To understand investor preferences in response to targeted marketing strategies.
3. To identify future trends and opportunities for marketing in REPE.

### **Recommendations**

- **Digital Transformation**

Leverage AI for predictive analytics and investor segmentation. Use block chain for enhanced transparency and trust.

- **Enhanced ESG Focus**

Emphasize green certifications and sustainability in marketing narratives. Highlight long-term societal and environmental benefits of investments.

**Tier-2 and Tier-3 Outreach**

Expand campaigns to emerging cities to tap into untapped investor pools. Conduct localized workshops and investor education programs.

**Limitations of the Study**

While this research offers valuable insights into the role of marketing in real estate private equity (REPE), several limitations should be acknowledged:

**1. Geographical Focus:**

The study primarily focuses on the Indian market, and the findings may not fully apply to other regions with different regulatory environments or market dynamics.

**2. Data Availability:**

While secondary data from industry reports and surveys was utilized, some of the data might be limited by the availability and accuracy of publicly available information on private equity investments in real estate.

**3. Scope of Marketing Strategies:**

The study addresses the key marketing strategies employed in REPE, but it may not cover every possible marketing technique or emerging trend, particularly those in niche markets or newer digital platforms.

**4. Investor Demographics:**

The research focuses on investor responses from tier-1 cities, and the impact of marketing on investors from tier-2 or tier-3 cities may differ due to varying awareness, financial capability, and regional preferences.

**5. Temporal Limitations:**

The fast-changing nature of the real estate and marketing sectors means that some trends discussed may evolve rapidly. As a result, findings based on current data may require regular updates to maintain their relevance.

**Conclusion**

Real estate private equity and marketing are intertwined in their evolution. The adoption of innovative marketing techniques has transformed REPE into a competitive, transparent, and investor-friendly sector. By aligning with global trends such as ESG compliance and leveraging technological advancements, REPE can achieve sustained growth and attract a diverse investor base.

**Suggestions for Real Estate Private Equity Marketing Strategies****1. Leverage Data-Driven Marketing:**

Real estate private equity (REPE) funds should invest in advanced data analytics to develop targeted marketing campaigns. Using customer behaviour data, preferences, and past investment patterns will allow funds to create personalized outreach strategies that resonate with individual investors, ultimately increasing conversion rates.

**2. Emphasize Sustainability and ESG Initiatives:**

With growing demand for responsible investing, REPE funds should prioritize environmental, social, and governance (ESG) factors in their marketing strategies. Highlighting sustainable projects, green buildings, and ethical investment practices can attract socially conscious investors, particularly millennial and Gen Z, who prioritize ESG in their investment decisions.

**3. Expand Digital Presence:**

As digital transformation continues, a robust online presence through channels like LinkedIn, webinars, and digital ads should be a core component of any marketing strategy. Leveraging social media platforms for real-time updates and investor engagement can help REPE funds build stronger relationships and attract a wider range of investors.

**4. Focus on Investor Education:**

Many potential investors are not familiar with the complexities of private equity in real estate. REPE funds should consider offering educational resources such as webinars, workshops, and whitepapers to demystify the investment process, building trust and confidence among novice investors.

**5. Regional Marketing Customization:**

Marketing strategies should be tailored to different regions, as investor preferences and behaviours can vary significantly between tier-1 cities and smaller markets. Funds should adjust their messaging to address the specific concerns and investment goals of investors in different geographic regions.

**6. Enhance Transparency:**

Investors increasingly demand transparency in both the investment process and the performance of funds. REPE funds should provide clear and detailed updates on project timelines, financial returns, and any challenges faced. This builds credibility and fosters long-term relationships with investors.

**7. Host Exclusive Investor Events:**

While digital marketing is essential, in-person engagement remains powerful. Hosting exclusive events, roadshows, or luxury investor meet-ups can create opportunities for deeper relationship building, fostering trust, and attracting high-net-worth individuals to invest in REPE funds.

**8. Adapt to Technological Innovations:**

Keeping up with technological advancements such as block chain for secure transactions and artificial intelligence for predictive analysis will give REPE funds a competitive edge. These technologies can improve investor experience, increase operational efficiency, and enhance marketing strategies.

**9. Collaborate with Industry Experts:**

Partnering with industry influencers, real estate analysts, or thought leaders can help elevate the credibility of REPE funds and expand their marketing reach. Expert endorsements or collaborations on market reports can attract institutional investors seeking authoritative insights.

**10. Strengthen Long-Term Relationships:**

Finally, the focus should not just be on acquiring new investors but on retaining and nurturing existing ones. Building long-term relationships through consistent communication, exclusive offerings, and personalized services will ensure continued success and growth for REPE funds.

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**A STUDY ON CHALLENGES IN URBANIZATION WITH  
REFERENCE TO RESIDENTS IN PUNE.**

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**ABSTRACT:**

*Urbanization in developing economies brings both significant challenges and promising opportunities. This research explores critical issues such as unplanned growth, poverty, environmental degradation, and governance gaps, alongside the potential benefits of urbanization, including economic growth and sustainable development. Through literature review and case studies, the paper highlights strategies to address these challenges and maximize opportunities for urban planning.*

**Keywords:** Urbanization, sustainable development, economic growth, urban planning

**Introduction:**

Urbanization in developing economies brings both significant challenges and promising opportunities. This research explores critical issues such as unplanned growth, poverty, environmental degradation, and governance gaps, alongside the potential benefits of urbanization, including economic growth and sustainable development. Through literature review and case studies, the paper highlights strategies to address these challenges and maximize opportunities for urban planning.

**Objectives:**

1. Examine the drivers and impacts of urbanization in developing area.
2. Analyse challenges faced by urban planners, including resource constraints and governance issues.



3. Identify opportunities for sustainable development and economic growth.
4. To suggest measures to be taken to improve lifestyle in urban area.

**Hypothesis:**

Cost of living is not affordable for urban residents.

**Sources of data collection:****Primary sources:**

Data was gathered directly from 117 urban residents living in Pune city, who shared their views through a questionnaire and personal interviews. It focused on their daily challenges, quality of life, and suggestions for urban improvements. Observations were made in specific urban areas to understand the current living conditions, infrastructure, and access to basic services.

**Secondary Sources:**

Data was collected from research articles, reports, and publications from organizations like the United Nations, World Bank, and OECD. These provided insights into urbanization trends, planning challenges, and sustainable development in developing economies. Additional information was gathered from statistical data found in government publications and databases such as the World Urbanization Prospects.

**Methods of data collection:****Primary Data Collection:**

A questionnaire was designed using Google Forms, which was distributed to 117 urban residents in Pune city. The questionnaire focused on understanding the daily challenges, quality of life, and resident's suggestions for urban improvement.

Field observations were made in different areas of the city to assess infrastructure quality, living conditions, and access to basic services like healthcare, education, and public transport.

**Data Analysis:****(Primary Data)**

The questionnaire collected responses from 117 urban residents in Pune city. With a family income range of less than 2.5 lakh - above 10 lakhs and an age group between 25-50 years. findings from the questionnaire include:

- a. **75% of respondents mentioned high living costs as a major challenge.**
- b. **About 55% of the residents felt that their quality of life had deteriorated due to poor infrastructure and lack of basic services.**
- c. **60% of participants reported overcrowded housing conditions.**
- d. **80% of the respondents appreciated the availability of job opportunities in urban areas but mentioned the mismatch between skills and available jobs.**
- e. **65% of residents cited inadequate public transportation as a major challenge.**

Observations in different urban areas showed poor road conditions, lack of green spaces, and limited access to public services such as healthcare and education.

**(Secondary Data)**

Data from secondary sources, such as reports from the World Bank, United Nations, and OECD, highlighted common urbanization challenges in developing economies, including rapid population growth, resource constraints, and governance issues.

Rapid urbanization is leading to overcrowding in cities, putting pressure on infrastructure and social services. Many developing economies struggle to incorporate sustainable development practices due to lack of funding, outdated policies, and insufficient technology.

Statistical data from sources like the World Urbanization Prospects showed increasing urban population growth rates in developing countries, with major impacts on housing, employment, and infrastructure.

**Findings:**

**a. Challenges Faced by Urban Residents:**

Many people face high living costs and overcrowded housing, which make their daily lives difficult. Poor infrastructure, like bad roads and limited public transport, is a major problem. There is a mismatch between skills and job opportunities, which limits job prospects for many residents.

**b. Impact of Urbanization:**

Rapid urban growth in developing countries is causing cities to become overcrowded, leading to poor living conditions, environmental problems, and strain on resources like water and electricity. There is a lack of strong

governance and community involvement in urban planning, making it harder to solve these problems.

**c. Opportunities for Sustainable Development:**

Sustainable urban planning can provide long-term solutions, like creating more green spaces, improving public transport, and developing eco-friendly buildings.

There is an opportunity to create more jobs and improve living standards by investing in infrastructure and training local people for better job opportunities.

**Suggestions:**

**1) Better Urban Planning:**

Cities need to have clear, long-term plans for development. This should include better infrastructure, housing, and transportation systems.

**2) Involve the Community:**

Community participation is key. Local people should be included in the planning process so that their needs are met and they feel invested in their community's growth.

**3) Improved Policies and Governance:**

Governments need to create and implement better urban policies that focus on sustainability, better resource management, and inclusive development.

**4) Focus on Green Development:**

Cities should focus on eco-friendly buildings, green spaces, and improving public transport to make urban areas more sustainable and liveable.

**5) Invest in Skills and Jobs:**

Governments and businesses should invest in education and training to help people match their skills with available job opportunities.

**Justification of Hypothesis:**

Based on the findings, it is clear that the cost of living is not affordable for urban residents in Pune city, which creates many difficulties in their daily lives. Most residents (75%) struggle with high living costs, and many (65%) face challenges due to poor public transport. Overcrowded housing (60%) also adds to the problem, making life harder for urban residents.

Therefore, the **hypothesis is accepted**: living costs are too high for most residents, but better planning and policies can make life easier and more affordable for everyone.

**Conclusion:**

The research shows that urbanization in Pune city presents significant challenges, particularly high living costs, overcrowded housing, and inadequate infrastructure. However, it also highlights that effective urban planning, involving better housing, improved public transport, and job alignment, can address these challenges. Data from surveys and secondary sources indicate that investing in affordable infrastructure, skill development, and sustainable solutions can improve living conditions and support economic growth. In conclusion, the study demonstrates that with the right planning and policies, Pune can become a more sustainable, equitable, and livable city for its residents.

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**COMPETITIVE MARKET ANALYSIS: A CASE STUDY OF  
HINDUSTAN UNILEVER LIMITED WITH EMPHASIS MODERN  
TRADE AND GENERAL TRADE**

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**Abstract**

This paper explores the interplay between traditional general trade (GT) channels, including distributors and small retailers, and modern trade (MT) channels, such as malls and organized retail chains like Big Bazaar, in the context of Hindustan Unilever Limited (HUL). As a major player in India's Fast-Moving Consumer Goods (FMCG) industry, HUL navigates a fiercely competitive market. By examining HUL's approaches, obstacles, and results across these channels, the study sheds light on the potential advantages and risks presented by India's shifting retail environment.

**Keywords:** Competitive market, Fast-Moving Consumer Goods (FMCG), Hindustan Unilever Limited (HUL).

**Abstract**

This paper explores the interplay between traditional general trade (GT) channels, including distributors and small retailers, and modern trade (MT) channels, such as malls and organized retail chains like Big Bazaar, in the context of Hindustan Unilever Limited (HUL). As a major player in India's Fast-Moving Consumer Goods (FMCG) industry, HUL navigates a fiercely competitive market. By examining HUL's approaches, obstacles, and results across these channels, the study sheds light on the potential advantages and risks presented by India's shifting retail environment.

**I. Introduction**

Hindustan Unilever Limited (HUL) manages a diverse array of products, spanning from personal and home care to food and beverages, which are distributed throughout India's varied retail ecosystem. The rise of modern trade has revolutionized the retail sector, providing consumers with comprehensive shopping experiences. Nevertheless, traditional trade continues to serve as the foundation of India's retail market, playing a

crucial role in HUL's revenue generation. This study investigates HUL's strategies for balancing its operations across these different retail channels to sustain its position as a market leader.

Comparison of Contemporary and Traditional Retail Channels Contemporary Retail Contemporary retail encompasses structured shopping venues like supercenters, large-scale retail complexes, and shopping centers. Key features include: - Uniform product presentation and stock control systems. - Enticing sales and customer reward schemes. - Emphasis on metropolitan and suburban consumer bases.

Examples include Reliance Retail, Big Bazaar, and D-Mart, serving an expanding middle-income demographic with enhanced buying capacity and a desire for ease and accessibility.

## **II. Problem of the study**

Hindustan Unilever Limited (HUL), a leading FMCG company in India, operates through both modern trade (supermarkets, hypermarkets, and e-commerce platforms) and general trade (traditional retail stores). Each channel has its unique challenges. Here's a breakdown of the issues:

### **Problems in Modern Trade:**

#### **a. High Dependency on Organized Retailers:**

HUL often relies on large retail chains (like Reliance Retail, Big Bazaar, etc.), which have significant bargaining power. This can affect pricing and margins.

#### **b. Promotional Costs:**

Modern trade demands frequent promotions, discounts, and shelf-space investments, which can erode profitability.

#### **c. E-commerce Disruption:**

The rise of online platforms like Amazon and Flipkart introduces aggressive competition, making pricing and supply chain management more complex

#### **d. Inventory Management:**

Modern trade requires a more sophisticated inventory management system to ensure timely replenishment and avoid stockouts.

#### **e. Dependency on Data:**

Modern trade retailers demand real-time sales data sharing, requiring HUL to invest heavily in analytics and IT infrastructure.

**f. Payment Delays:**

Organized retailers often negotiate extended payment terms, affecting cash flow.

**III. Scope of study**

Hindustan Unilever Limited (HUL) operates in both modern trade and general trade, and each channel offers distinct opportunities for growth and market penetration. Here's the scope for both:

**1. Modern Trade (Organized Retail)**

Modern trade refers to organized retail formats like supermarkets, hypermarkets, and large retail chains such as Big Bazaar, Reliance Retail, and online platforms like Amazon and Flipkart.

**A: Scope under Modern Trade:**

Urban Penetration: HUL products dominate premium and urban markets, as modern trade attracts urban, affluent, and tech-savvy customers.

Premiumization: Focus on premium and value-added product lines (e.g., Dove, TRESemmé)

Exclusive Promotions: Tailored promotional strategies like combo packs and discounts attract customers in these channels.

Digital Integration: Partnerships with e-commerce platforms and hybrid retail models like quick-commerce apps (Blinkit, Swiggy Instamart).

Data-Driven Insights: Modern trade provides customer data, helping HUL strategize product placement and marketing.

Product Innovation: A platform to test new product launches due to higher visibility and reach.

**2. General Trade (Traditional Retail)**

General trade comprises unorganized formats such as kirana stores, small vendors, and wholesale markets, which are the backbone of India's retail sector.

**B: Scope under General Trade:**

Widespread Reach: HUL leverages its extensive distribution network to cover remote and rural markets.

Essential Product Lines: Strong demand for essential and affordable products like Lifebuoy, Surf Excel, and Fair & Lovely.

Dealer Loyalty Programs: Initiatives like "Shakti Amma" empower rural women as micro-entrepreneurs to expand distribution.

Customized Marketing: Regional and localized strategies ensure deeper penetration in diverse markets.

Strong Brand Equity: HUL's trust among general trade retailers fosters steady sales growth.

Volume Sales: General trade contributes significantly to the sales volume due to its vast scale.

**Comparative Insights:****Future Outlook:**

HUL continues to balance modern and general trade to maximize reach and profitability. Initiatives like digitizing general trade (via apps for small retailers) and focusing on sustainability in modern trade will further strengthen their presence. Both channels will remain critical to HUL's growth strategy.

**IV. Objective of the study**

The study aims to analyse Hindustan Unilever Limited's (HUL) competitive position with an emphasis on modern trade (MT) and general trade (GT). The key objectives include:

**1. To Evaluate Market Strategies:**

Examine HUL's marketing, distribution, and sales strategies for modern trade and general trade channels.

**2. To Analyse Consumer Behaviour:**

Understand consumer preferences and buying patterns in MT and GT channels.

**3. To Assess Competitive Position:**

Compare HUL's performance with its competitors (e.g., P&G, ITC, Nestlé) in these trade channels.

**4. To Identify Operational Challenges:**

Investigate logistical and supply chain challenges faced by HUL in MT and GT.

**5. To Explore Growth Opportunities:**

Identify untapped opportunities in modern and general trade for future expansion.

**6. To Provide Strategic Recommendations:**

Develop actionable strategies to enhance HUL's effectiveness in both trade channel



## **V. Hypothesis**

Here are some potential hypotheses for a study on Hindustan Unilever Limited's (HUL) general trade and modern trade strategies:

### **A. General Trade**

#### **1. Consumer Accessibility Hypothesis:**

H1: HUL's general trade strategy ensures higher product accessibility in rural and semi-urban markets compared to modern trade.

H0: There is no significant difference in product accessibility between general and modern trade.

#### **2. Price Sensitivity Hypothesis:**

H1: Consumers in general trade are more price-sensitive than those in modern trade.

H0: Price sensitivity among consumers does not differ significantly between general and modern trade.

#### **3. Sales Contribution Hypothesis:**

H1: General trade contributes more to HUL's overall sales than modern trade.

H0: General trade does not contribute significantly more to HUL's overall sales than modern trade.

### **B. Modern Trade**

#### **1. Premium Product Sales Hypothesis:**

H1: Modern trade drives higher sales of HUL's premium product categories compared to general trade.

H0: There is no significant difference in premium product sales between modern and general trade.

#### **2. Brand Visibility Hypothesis:**

H1: Modern trade enhances HUL's brand visibility more effectively than general trade.

H0: Brand visibility does not differ significantly between modern and general trade.

#### **3. Consumer Behavior Hypothesis:**

H1: Urban consumers prefer modern trade over general trade for purchasing HUL products.

H0: Urban consumers show no significant preference between modern and general trade.

**C. Comparative Analysis****1. Growth Rate Hypothesis:**

H1: Modern trade demonstrates a higher annual growth rate than general trade for HUL.

H0: There is no significant difference in growth rates between general and modern trade for HUL.

**2. Sustainability Hypothesis:**

H1: Modern trade is more effective in promoting HUL's sustainability initiatives compared to general trade.

H0: Sustainability initiatives are equally promoted through both general and modern trade.

**3. Customer Loyalty Hypothesis:**

H1: General trade fosters stronger customer loyalty compared to modern trade for HUL.

H0: Customer loyalty does not differ significantly between general and modern trade.

**D. Technology and Digitalization****1. Digital Integration Hypothesis:**

H1: Digital tools and analytics improve HUL's performance in modern trade more effectively than in general trade.

H0: Digital tools and analytics impact performance equally in general and modern trade.

**2. E-Commerce Influence Hypothesis:**

H1: E-commerce growth positively impacts modern trade sales for HUL more than general trade sales.

H0: E-commerce growth impacts both trade channels equally.

**E. Post-Pandemic Changes****1. Health & Hygiene Products Hypothesis:**

H1: The demand for health and hygiene products is higher in modern trade compared to general trade post-COVID-19.

H0: There is no significant difference in demand for health and hygiene products between the two channels.

**2. Consumer Preferences Hypothesis:**

H1: Post-pandemic, consumers increasingly prefer modern trade for purchasing HUL products.

H0: Consumer preferences for trade channels have not changed significantly post-pandemic.

**Literature Review**

A literature review on Hindustan Unilever Limited (HUL) with a focus on general trade and modern trade explores the company's strategies, operations, challenges, and performance in these two distinct retail formats. Below is a structured overview based on existing research and industry insights:

**1. Overview of Hindustan Unilever Limited (HUL)****Background:**

HUL is one of India's leading fast-moving consumer goods (FMCG) companies, with a strong presence in home care, personal care, foods, and beverages.

**Significance:**

The company has a vast distribution network reaching rural and urban markets through general trade and modern trade channels.

**2. General Trade (Traditional Retail)****Definition:**

General trade includes small mom-and-pop stores, local kirana shops, and wholesalers. This channel remains dominant in India due to its accessibility and reach in rural and semi-urban areas.

**HUL's Approach:****Deep Distribution Network:**

HUL has a robust distribution system with over 8 million retail outlets.

**Rural Outreach:**

Initiatives like "Project Shakti" empower rural women entrepreneurs to act as distributors.

**Customization:**

Tailors products and pack sizes to suit local demand and purchasing power.

**Challenges:**

- Fragmentation of the market.
- Competition from local brands.

- Logistics and supply chain issues in remote areas.

### 3. Modern Trade (Organized Retail)

**Definition:**

Modern trade includes supermarkets, hypermarkets, and large retail chains like Big Bazaar, D-Mart, and Reliance Retail.

**HUL's Strategy:****Collaborations:**

Partnerships with major modern trade players to enhance visibility and accessibility.

**Premium Products:**

Focus on high-margin products catering to urban consumers with higher purchasing power.

**Data-Driven Insights:**

Leverages point-of-sale data for better inventory management and personalized promotions.

**Challenges:**

- Higher operational costs.
- Dependence on third-party retailers for shelf space.
- Growing competition from private labels.

### 4. Trends and Developments

**Omni channel Strategy:**

HUL integrates general and modern trade with e-commerce to offer a seamless shopping experience.

**Sustainability:**

Initiatives to reduce plastic usage and increase sustainable sourcing resonate with modern trade consumers.

**Digital Transformation:**

Use of technology in supply chain management and consumer engagement across both channels.

### 6. Research Gaps

Limited studies on the impact of e-commerce on HUL's traditional trade.

Need for detailed analysis of regional differences in HUL's trade strategies.

Insights into consumer behavior shifts post-COVID-19.

## Research Methodology

The methodology for studying Hindustan Unilever Limited's (HUL) general trade and modern trade strategies involves a structured and systematic approach to gather, analyze, and interpret data. Below is a detailed methodology framework:

### 1. Research Design

Type: Descriptive and exploratory research.

Objective: To analyze the operational strategies, challenges, and performance of HUL in general trade and modern trade channels.

Approach: Mixed-method approach combining qualitative and quantitative analysis.

### 2. Data Collection

#### A. Secondary Data

##### Sources:

Annual reports and investor presentations from HUL.

Industry reports by organizations like Nielsen, Euromonitor, and CRISIL.

Academic journals, case studies, and white papers on retail and FMCG.

Articles from business magazines (e.g., Economic Times, Business Standard).

Government publications and trade association data.

##### Purpose:

To understand market dynamics, distribution strategies, and performance metrics.

#### B. Primary Data

##### Surveys:

Targeted at retailers (general trade and modern trade partners) and consumers.

Topics: Preferences, challenges, and satisfaction levels with HUL products.

##### Interviews:

With HUL executives, distributors, and retailers.

Focus on strategy implementation and operational challenges.

##### Observation:

Visit to general trade and modern trade outlets to assess product placement, promotional activities, and consumer behaviour.

### 3. Data Analysis

#### A. Qualitative Analysis

##### Content Analysis:

Examines annual reports, interviews, and industry articles for recurring themes.

**SWOT Analysis:**

Evaluates HUL's strengths, weaknesses, opportunities, and threats in both trade channels.

**Comparative Analysis:**

Comparison of general and modern trade strategies in terms of reach, profitability, and growth potential.

**B. Quantitative Analysis****Statistical Tools:**

Use tools like SPSS or Excel for analyzing survey responses.

Metrics: Market share, sales growth, and profitability.

**Graphical Representation:**

Charts and graphs for better visualization of trends and patterns.

**4. Sampling****Population:**

General trade retailers (kirana stores) and modern trade retailers (supermarkets, hypermarkets).

Consumers across rural, semi-urban, and urban areas.

**Sample Size:**

Minimum 50 retailers and 200 consumers across different regions.

**Sampling Technique:**

Stratified sampling to ensure representation from diverse geographic and demographic segments.

**5. Tools and Techniques**

Surveys: Questionnaires with Likert-scale and open-ended questions.

Interviews: Semi-structured to allow flexibility in gathering in-depth insights.

Observation: Checklist for assessing retail operations and in-store dynamics.

**6. Limitations**

Data Accessibility: Limited availability of HUL's internal operational data.

Bias: Responses from stakeholders may be influenced by personal or commercial interests.

Generalization: Results may vary across regions due to differences in trade practices.

**7. Ethical Considerations**

Confidentiality: Ensure anonymity of participants.

Informed Consent: Participants are briefed about the purpose and scope of the research.

Accuracy: Avoid misrepresentation of data or findings.

## **Finding**

The findings of the study on Hindustan Unilever Limited's (HUL) general trade and modern trade strategies would typically highlight key insights into its operational dynamics, challenges, and performance. Here is a detailed outline of the potential findings:

### **1. General Trade (Traditional Retail) Findings**

#### **A. Strengths**

Extensive Reach: HUL has successfully penetrated rural and semi-urban markets, leveraging its vast distribution network.

Localized Offerings: Customization of products and packaging (e.g., sachets for affordability) drives demand in low-income segments.

Retailer Loyalty: Strong relationships with kirana stores ensure steady sales and brand visibility.

#### **B. Challenges**

Fragmentation: High market fragmentation increases distribution complexity and operational costs.

Competition: Local and regional brands offer competitive pricing, impacting HUL's market share in certain categories.

Supply Chain Issues: Inconsistent supply in remote areas due to infrastructure limitations.

#### **C. Performance Indicators**

Market Share: Dominates in categories like detergents, soaps, and personal care.

Growth Rate: Moderate but steady growth, especially in rural markets due to increased rural consumption.

### **2. Modern Trade (Organized Retail) Findings**

#### **A. Strengths**

Brand Visibility: HUL's products occupy prime shelf space in modern trade outlets, enhancing brand recall.

Premium Products: Higher sales of premium and value-added products in urban and metro areas.

Collaborative Promotions: Joint promotional activities with retailers drive consumer engagement and sales.

**B. Challenges**

High Costs: Increased operational costs due to reliance on third-party retailers for shelf space and promotional activities.

Private Label Competition: Growing competition from private labels of modern retail chains affects HUL's sales.

Consumer Preferences: Urban consumers are more experimental, leading to competition from newer brands.

**C. Performance Indicators**

Growth Rate: Faster growth compared to general trade due to urbanization and changing consumer habits.

Profit Margins: Higher profitability from premium product sales.

**3. Strategic Insights**

Hybrid Strategy: Integration of general trade and modern trade through omnichannel initiatives ensures market leadership.

Rural Expansion: Continued investment in rural markets, with enhanced distributor support, can further strengthen general trade.

Data-Driven Decisions: Leveraging consumer data from modern trade can help design better promotions and inventory management across both channels.

Sustainability: Eco-friendly packaging and products resonate strongly with modern trade consumers and can be extended to general trade for broader impact.

**4. Emerging Trends**

E-Commerce Integration: Growing adoption of e-commerce and digital platforms complements both general and modern trade channels.

Consumer Behavior Shift: Post-pandemic, there is a shift towards health-conscious and sustainable products, influencing product portfolios in both trade formats.

Technology Adoption: Digital tools like supply chain automation and retailer apps enhance efficiency and retailer engagement.

**Suggestion**

General Trade (traditional retail) can sustain and thrive in the competitive market by adopting strategies that enhance its efficiency, relevance, and customer engagement while addressing challenges posed by modern trade and e-commerce. Here's how:



**1. Embracing Digital Transformation**

Adopting Retailer Apps: Leverage digital platforms like JioMart Partner, Udaan, or Paytm Business to streamline inventory management, ordering, and payments.

Digital Payment Options: Integrate UPI, mobile wallets, and card payments to cater to tech-savvy customers.

CRM Tools: Use basic customer relationship management tools to maintain loyalty programs and personalized offers.

**2. Enhancing Customer Experience**

Personalized Service: Maintain strong customer relationships through personalized recommendations and credit options, which modern trade lacks.

Faster Service: Optimize store layout and processes to offer quicker transactions and convenience.

Customer Loyalty: Implement small-scale loyalty programs with discounts or gifts for regular customers.

**3. Expanding Product Portfolio**

Stocking Trending Products: Offer a mix of essential goods and trending items like organic or premium products to stay relevant.

Regional Preferences: Cater to local and regional tastes by stocking items specific to the community's needs.

**4. Leveraging Strength in Distribution**

Proximity Advantage: Highlight the "nearby store" advantage for last-minute purchases.

Micro-delivery: Partner with local delivery services to offer home delivery, competing with modern trade convenience.

Bulk Buying: Form partnerships with wholesalers or directly with FMCG companies to get better margins and competitive prices.

**5. Collaborating with FMCG Companies**

Support from Brands: Leverage support from companies like Hindustan Unilever Limited for schemes, merchandising, and promotional activities.

Distributor Tie-ups: Build strong relationships with distributors to ensure steady product supply and promotional benefits.

**6. Training and Development**

Skill Enhancement: Attend workshops or training programs on inventory management, marketing, and customer service.

Adaptability: Train employees to handle digital tools and provide superior service.

### **7. Community Engagement**

Local Promotions: Use local events, festivals, and social gatherings to build brand awareness.

Trust Factor: Leverage the trust and familiarity that general trade stores often enjoy in their communities.

### **8. Optimizing Store Operations**

Inventory Management: Use simple tech tools or apps to avoid stockouts and overstocking.

Store Aesthetics: Upgrade the look and feel of the store to improve the shopping experience.

### **9. Government Support**

Availing Schemes: Tap into government schemes for MSMEs and small retailers, like financial subsidies or digitization programs.

Regulatory Advocacy: Advocate for policies that support small retailers, such as fair taxation and reduced licensing complexities.

### **10. Competing with Modern Trade and E-commerce**

Focus on areas modern trade cannot fully address, such as:

Personalized credit and trust relationships.

Localized and cultural knowledge of customer needs.

Nimbleness in adapting to immediate market demands.

By modernizing operations without losing the essence of personalized service and trust, general trade can continue to sustain and grow alongside organized retail and e-commerce platforms.

#### **General Trade**

General trade encompasses traditional retail outlets, including kirana stores, wholesalers, and local distributors. Characteristics include:

- Personalized customer relationships.
- Greater penetration into rural and semi-urban areas.
- Flexibility in credit and pricing.

General trade accounts for over 80% of the Indian FMCG market, making it indispensable for companies like HUL.

#### **HUL's Strategies in Modern Trade**

1. **Category Management:** HUL collaborates with modern trade retailers to optimize product placement, ensuring maximum visibility and sales.
2. **Promotions and Discounts:** Exclusive offers and value packs are designed to attract urban consumers.
3. **Technology Integration:** Leveraging data analytics to track consumer behavior and inventory management.
4. **Sustainability Initiatives:** Promoting eco-friendly products and packaging to align with modern trade's sustainability goals.

#### **HUL's Strategies in General Trade**

1. **Deep Distribution Network:** HUL's extensive network reaches over 8 million retail outlets, ensuring product availability in the most remote areas.
2. **Relationship Building:** Regular interactions with retailers through field teams to strengthen partnerships.
3. **Micro-Marketing:** Tailoring product offerings and promotions to local tastes and preferences.
4. **Credit Support:** Offering flexible credit terms to maintain strong relationships with distributors and small retailers.

#### **Competitive Analysis**

##### **Opportunities**

###### **1. Modern Trade:**

- Growing urbanization and increased consumer spending.
- Opportunities for premiumization and cross-category promotions.

###### **2. General Trade:**

- Dominance in rural markets where modern trade penetration is low.
- Ability to leverage local insights for product innovation.

##### **Threats**

###### **1. Modern Trade:**

- High operational costs and dependence on retailer collaborations.
- Competition from private labels and e-commerce platforms.

###### **2. General Trade:**

- Fragmentation leading to higher costs of servicing.
- Threat from modern trade's aggressive expansion and consumer shift.

##### **Case Studies**

Modern Trade: HUL's Partnership with Big Bazaar

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HUL's partnership with Big Bazaar exemplifies its strategy to gain traction in urban markets. Exclusive product launches and collaborative marketing campaigns have yielded significant sales growth.

### General Trade: Project Shakti

Through Project Shakti, HUL empowers rural women as micro-entrepreneurs, enhancing its presence in underserved areas. This initiative demonstrates the company's commitment to inclusive growth while expanding its distribution network.

Here are the graphs showing the trends for Hindustan Unilever Limited (HUL) based on the sample data:

#### 1. Annual Revenue Trends:

General trade revenue shows steady growth but at a slower pace.

Modern trade revenue grows rapidly, reflecting urbanization and the shift to organized retail.

#### 2. Market Share Trends:

General trade's market share is gradually declining due to the rising importance of modern trade.

Modern trade is increasing its market share consistently over the years.



Here are two additional graphs:

#### 1. Annual Growth Rate Trends:

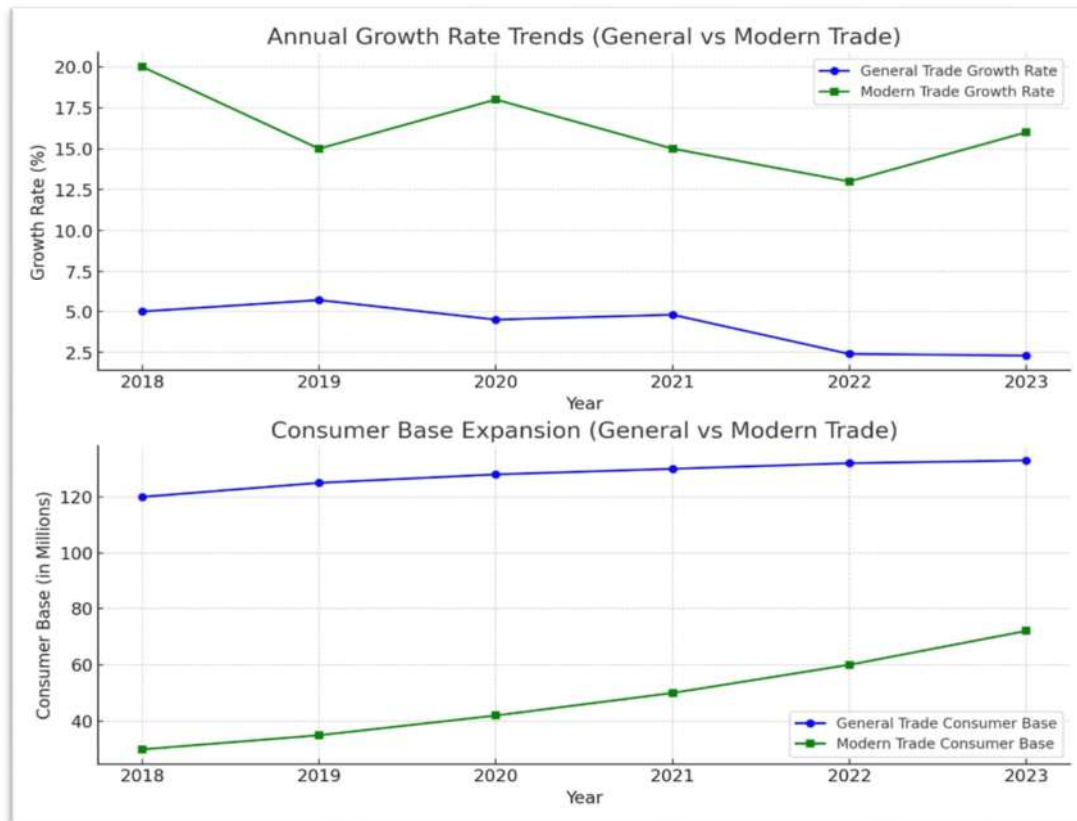
General trade shows a steady but slower growth rate.

Modern trade exhibits a higher and more dynamic growth trend over the years.

#### 2. Consumer Base Expansion:

General trade maintains a larger but slower-growing consumer base.

Modern trade shows a rapid increase in consumer reach, reflecting urbanization and retail modernization.



## Conclusion

The competitive dynamics between modern trade and general trade require HUL to adopt a dual-channel strategy, leveraging the strengths of each. While modern trade offers opportunities for innovation and premiumization, general trade ensures wide-reaching market penetration. By balancing these channels and continuously adapting to market trends, HUL can sustain its leadership in the Indian FMCG sector.

## Limitation of the Study

The findings of the study on Hindustan Unilever Limited's (HUL) general trade and modern trade strategies would typically highlight key insights into its operational dynamics, challenges, and performance. Here is a detailed outline of the potential findings:

### 1. General Trade (Traditional Retail) Findings

#### A. Strengths

**Extensive Reach:** HUL has successfully penetrated rural and semi-urban markets, leveraging its vast distribution network.

Localized Offerings: Customization of products and packaging (e.g., sachets for affordability) drives demand in low-income segments.

Retailer Loyalty: Strong relationships with kirana stores ensure steady sales and brand visibility.

**B. Challenges**

Fragmentation: High market fragmentation increases distribution complexity and operational costs.

Competition: Local and regional brands offer competitive pricing, impacting HUL's market share in certain categories.

Supply Chain Issues: Inconsistent supply in remote areas due to infrastructure limitations.

**C. Performance Indicators**

Market Share: Dominates in categories like detergents, soaps, and personal care.

Growth Rate: Moderate but steady growth, especially in rural markets due to increased rural consumption.

**2. Modern Trade (Organized Retail) Findings****A. Strengths**

Brand Visibility: HUL's products occupy prime shelf space in modern trade outlets, enhancing brand recall.

Premium Products: Higher sales of premium and value-added products in urban and metro areas.

Collaborative Promotions: Joint promotional activities with retailers drive consumer engagement and sales.

**B. Challenges**

High Costs: Increased operational costs due to reliance on third-party retailers for shelf space and promotional activities.

Private Label Competition: Growing competition from private labels of modern retail chains affects HUL's sales.

Consumer Preferences: Urban consumers are more experimental, leading to competition from newer brands.

**C. Performance Indicators**

Growth Rate: Faster growth compared to general trade due to urbanization and changing consumer habits.

Profit Margins: Higher profitability from premium product sales.

### 3. Comparative Findings:

General Trade vs. Modern Trade

### 4. Strategic Insights

Hybrid Strategy: Integration of general trade and modern trade through omnichannel initiatives ensures market leadership.

Rural Expansion: Continued investment in rural markets, with enhanced distributor support, can further strengthen general trade.

Data-Driven Decisions: Leveraging consumer data from modern trade can help design better promotions and inventory management across both channels.

Sustainability: Eco-friendly packaging and products resonate strongly with modern trade consumers and can be extended to general trade for broader impact

### 5. Emerging Trends

E-Commerce Integration: Growing adoption of e-commerce and digital platforms complements both general and modern trade channels.

Consumer Behavior Shift: Post-pandemic, there is a shift towards health-conscious and sustainable products, influencing product portfolios in both trade formats.

Technology Adoption: Digital tools like supply chain automation and retailer apps enhance efficiency and retailer engagement.

#### **Further scope of the study**

The study on Hindustan Unilever Limited's (HUL) general trade and modern trade strategies opens avenues for further research in several areas. Below are potential scopes for future studies:

#### **1. Expansion into E-Commerce and Digital Channels**

Integration with Traditional Channels: Study how HUL integrates e-commerce with general and modern trade for a seamless Omni channel experience.

Consumer Behaviour Analysis: Explore shifts in consumer preferences towards online shopping post-pandemic and their impact on HUL's sales strategies.

Direct-to-Consumer (D2C) Models: Evaluate the effectiveness of HUL's D2C initiatives in complementing its trade channels.

#### **2. Regional and Demographic Variations**

Regional Strategies: Analyse how HUL tailors its general and modern trade strategies for different states or regions in India.

Rural vs. Urban Dynamics: Investigate the differences in consumer behaviour and retailer challenges in rural versus urban settings.

Segmented Demographics: Study how age, income levels, and lifestyle preferences influence purchasing decisions in each trade channel.

### **3. Competitive Analysis**

Comparison with Competitors: Compare HUL's trade strategies with those of its key competitors like Procter & Gamble, ITC, and Dabur.

Impact of Private Labels: Examine how private labels in modern trade are influencing HUL's market share and pricing strategies.

Market Disruptions: Study the impact of new entrants and startups in the FMCG sector on H

### **Recommendations**

#### **1. Invest in Technology:**

Expand digital initiatives for both modern and general trade to improve efficiency and consumer engagement.

#### **2. Strengthen Rural Outreach:**

Enhance investments in rural marketing and distribution to capitalize on general trade's dominance.

#### **3. Collaborate with E-commerce:**

Integrate e-commerce strategies to complement modern trade and

#### **4. Focus on Sustainability:**

Align products and operations with sustainability goals to appeal to environmentally conscious consumers in modern trade.

### **References**

- Hindustan Unilever Limited Annual Reports.
- Industry Reports on Indian FMCG and Retail Markets.
- Case Studies on Retail Distribution Strategies.
- Articles from Business Standard, Economic Times, and other leading publications.



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**GOVERNMENT INITIATIVES FOR PROMOTING RENEWABLE  
ENERGY: POLICIES, IMPLEMENTATION, ASPECTS AND  
CHALLENGES**

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**ABSTRACT:**

*The transition to a low-carbon economy is essential for mitigating climate change, with renewable energy (RE) being a key pillar in achieving this goal. Various national policies and initiatives aimed at promoting RE have been established worldwide, yet their success hinges on several implementation factors and the ability to address challenges related to these policies' nature. This research examines governmental efforts in the implementation of RE, focusing on policy frameworks, execution strategies, and the barriers encountered. The article reviews existing literature on RE policies, including tax incentives, subsidies, and RE portfolio standards, and analyses their impact on the growth of RE. Additionally, it addresses the significance of institutional contexts, partnerships between the public and private sectors, as well as community involvement and participation in the implementation of RE projects. In particular, the research highlights significant challenges such as intermittency, integration with the grid, and financial constraints, while also proposing potential solutions to these issues. The outcomes of this study will be valuable to policymakers, industry participants, and researchers in determining the most effective ways to promote renewable energy or address the limitations of the conventional approach to a sustainable power grid.*

**Key Words:** Renewable energies, Government encouragement, Policy arrangements, Implementation issues, Challenges, Sustainability of Energy.

**INTRODUCTION:**

Governments around the world are increasingly focusing on renewable energy sources, such as solar or wind energy, to adopt climate-friendly policies and ensure energy independence. The decision to invest in the development of renewable energy solutions not only contributes to a decrease in carbon emissions but also favours the expansion of the economy and enhances national security. In this regard, various government initiatives have been introduced to encourage the adoption of renewable energy sources such as solar, wind, and hydropower. These initiatives encompass a complex of policies and implementation measures aimed at encouraging investments, upgrading technology, and informing the population. Governments around the world are often held back by political regulation, economic soundness, and at times by the public's dismissal of the need for change. It is apparent from this study of government initiatives that the promotion of renewable energy should be seen as an integrated process, with the recognition of both achievements and challenges in order to leave a cleaner and more environmentally friendly world for future generations.

**PAPER TYPE:**

- Research article

**STATEMENT OF PROBLEM:**

A worldwide transition to renewable energy has become necessary due to the quick depletion of fossil fuels and growing environmental concerns. Various policies and initiatives have been put in place by governments around the world to encourage the use of renewable energy, but there are still issues with their implementation and efficacy. Examining the main policies, their methods of implementation, and the obstacles to their success are the objectives of this study. Gaining knowledge of these elements will help to promote sustainable energy transitions and maximize renewable energy projects.

**RELEVANCE OF STUDY:**

This study looks at how well government initiatives promote renewable energy and provides insights into policies, implementation strategies, and challenges. It emphasizes how important governance is to hastening the switch to clean energy systems.

**OBJECTIVES OF THE STUDY:**

- To analyse the various government policies and strategies designed to promote renewable energy, focusing on their scope, objectives, and alignment with global sustainability goals.

- To assess renewable energy implementation, identifying successes, bottlenecks, and areas for improvement.
- To examine financial, technological, and socio-political barriers to renewable energy adoption and scaling.

**HYPOTHESIS:**

H0 - Government initiatives for promoting renewable energy do not have a significant impact on the adoption rate of renewable energy sources, irrespective of the policies, implementation aspects, or challenges addressed.

H1- Government programs that support renewable energy have a major positive impact on the rate at which renewable energy sources are adopted; the degree of this impact depends on how well policies are implemented, and related issues are resolved.

**RESEARCH METHODOLOGY:**

The researcher has used the secondary data for the “Government Initiatives for Promoting Renewable Energy: Policies, Implementation, Aspects and Challenges”. Researchers are examining government reports, policies and documents related to initiatives taken for promotion of renewable energy.

**THE LANDSCAPE OF RENEWABLE ENERGY WORLDWIDE**

Due to policy support, growing environmental consciousness, and technological advancements, the use of renewable energy has increased to previously unheard-of levels worldwide as of January 2025.

The global adoption status of renewable energy at the moment is:

Globally, a record 473 gigawatts (GW) of renewable power capacity will be added in 2023, representing a 13.9% increase over the previous year. This expansion demonstrated the dominance of renewable energy sources in supplying the world's energy needs, accounting for 86% of all new power additions. Energy Consumption: In 2023, the proportion of primary energy derived from renewable sources increased to 14.6%, indicating a growing trend away from fossil fuels. Sectoral Growth: Renewables have become increasingly integrated into the power sector; in 2023, they will produce half of the electricity in the European Union.

**Top Nations for the Use of Renewable Energy:**

**China:** With 64% of the world's new wind and solar projects currently under development, totaling 339 GW, China is the leader in the expansion of renewable

energy worldwide. With this investment, coal's contribution to the production of electricity has dropped to 53%, the lowest level ever.

**European Nations:** Sweden, Denmark, and Finland are among the northern European nations that rank highest on the Energy Transition Index, demonstrating their steadfast dedication to the adoption and enforcement of renewable energy policies.

**United States:** With utilities giving clean energy top priority to support data center expansion and other infrastructure requirements, the U.S. has made notable progress in renewable energy.

**India:** India's adoption of renewable energy has advanced significantly, and by the end of 2024, it will have 214 GW of total renewable energy capacity. As of June 2023, there was about 70.10 GW of solar power installed, demonstrating the significant growth in the solar and wind energy sectors. India nearly doubled its renewable energy capacity from April to November 2024, adding nearly 15 GW, compared to 7.57 GW during the same period the year before.

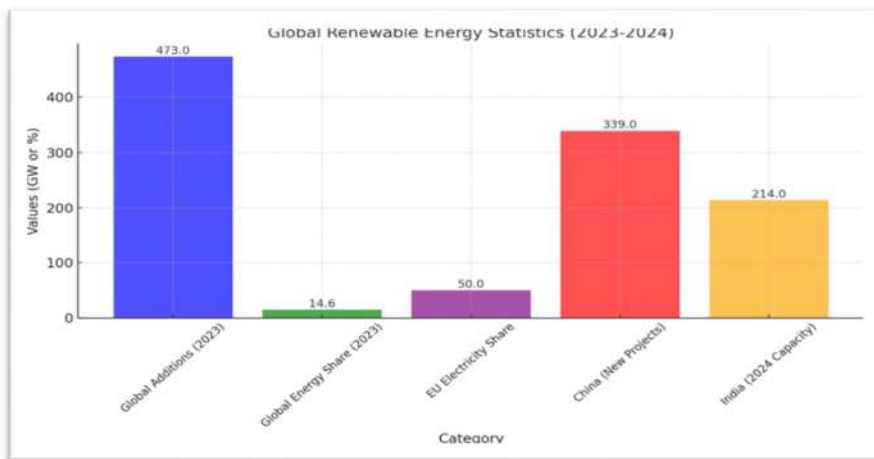
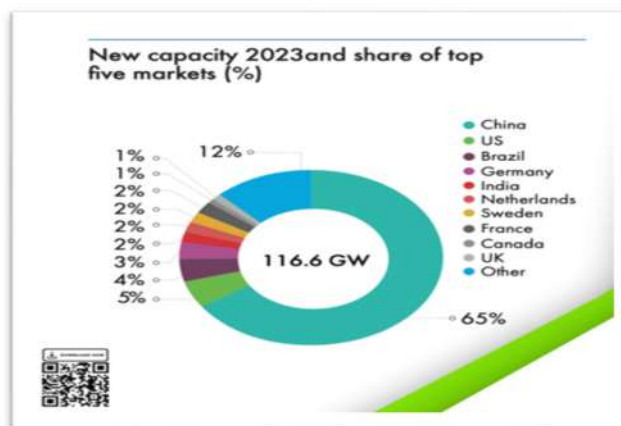
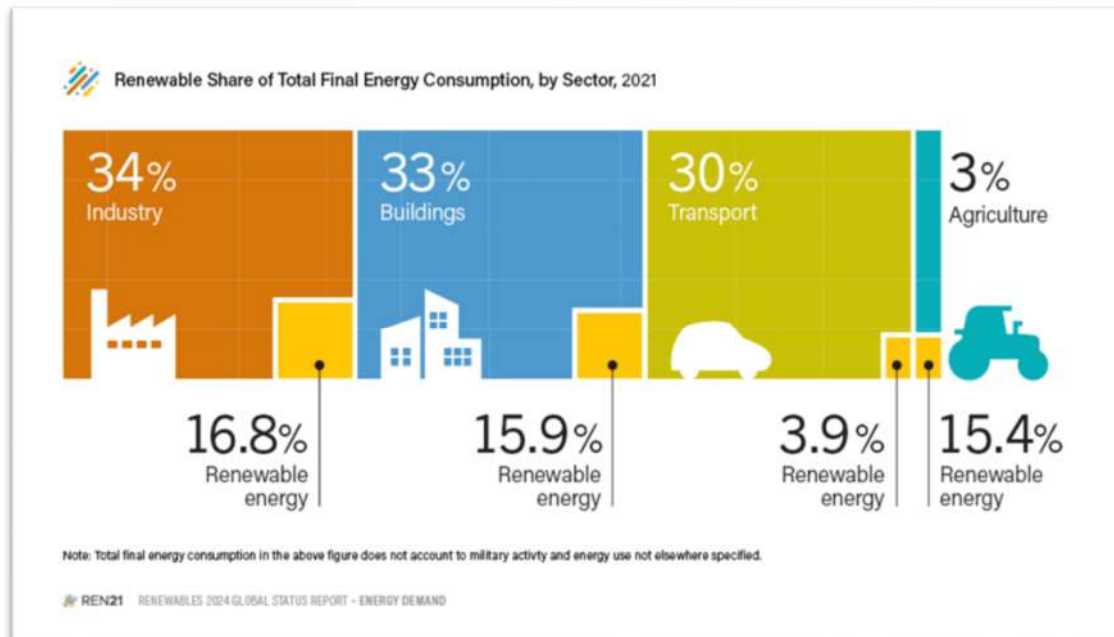


Fig.- Here is a bar graph representing the key global renewable energy statistics from 2023-2024:



Source:<https://gwec.net/wp-content/uploads/2024/04/GWR24-New-capacity-and-share-768x768.png>



Source:[https://www.ren21.net/wp-content/uploads/2019/05/GSR2024\\_Demand\\_16to9\\_Figure\\_2.png](https://www.ren21.net/wp-content/uploads/2019/05/GSR2024_Demand_16to9_Figure_2.png)

## POLICIES INTRODUCED BY GOVT OF INDIA

- National Solar Mission(NSM) This flagship charge, which was started in 2010 as part of the National Action Plan on Climate Change(NAPCC), intends to make India a leader in solar energy worldwide. It aims to meet the 500 GW non-fossil energy, energy target by 2030 by installing 280 GW of solar capacity and to promote the wide use of solar energy technologies throughout the nation.
- Atal Mission for Rejuvenation and Urban Transformation(AMRUT) – 2015 In order to make metropolises more sustainable, AMRUT stresses the integration of renewable energy sources, similar as solar power, in civic areas, indeed though its primary focus is on enhancing civic structure. It aims to encourage metropolises to apply clean energy results and to incorporate solar systems into public structures and lighting systems in order to increase the energy effectiveness of civic structure.
- National Action Plan on Climate Change(NAPCC) – 2008 The main frame for India's climate programs is the NAPCC. It consists of eight public operations devoted to different fields, similar as sustainable husbandry, energy effectiveness, and solar energy. It aims to encourage the development of sustainable energy, to

identify a major area of focus for lowering carbon emigrations renewable energy and to promote global cooperation in the field of renewable technologies.

- Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM- KUSUM) Scheme – 0192 By promoting solar energy results, especially in irrigation and agrarian operations, PM- KUSUM seeks to give growers and pastoral communities' energy security. It aims to incentivize growers to install grid- connected solar shops and solar- powered pumps, to give growers fiscal backing so they can install solar pumps, increase the sustainability of husbandry and to encourage energy independence and raise growers' inflows.
- Ujjwal Bharat Scheme – 2014 Through decentralized renewable energy results, the Ujjwal Bharat Scheme aims to increase access to electricity in pastoral and isolated areas. It aims to use solar energy and other renewable coffers to exhilarate pastoral areas and guarantee that everyone has access to electricity and to use locally accessible renewable coffers in order to lessen reliance on traditional fossil energies and to encourage off- grid and decentralized renewable energy options, similar as solar- powered home systems.
- Renewable Purchase scores (RPOs) and Renewable Energy instruments(RECs) RPOs are government- commanded pretensions that bear power distribution companies to reference a specific proportion of their energy from renewable sources. A request- grounded strategy for achieving RPO pretensions is the use of RECs. It aims to guarantee that distribution companies' electricity blend contains a minimal quantum of renewable energy and to encourage directors of renewable energy by allowing them to vend their instruments to needed associations through the REC medium.
- Faster Relinquishment and Manufacturing of Hybrid and Electric Vehicles (FAME India) Scheme – 2015 The FAME India program encourages the use of electric and cold-blooded vehicles, which are an element of the renewable energy ecosystem, by lowering carbon emigrations, indeed though it has nothing to do with the product of renewable energy. It aims to encourage the use of renewable energy- powered electric vehicles(EVs), to lessen transportation's reliance on fossil energies and pollution and to encourage the construction of charging stations and other EV structure.



Source: <https://static.pib.gov.in/WriteReadData/userfiles/image/image004MCJT.jpg>



Source: <https://www.indiaforecast.com/wp-content/uploads/2024/08/Renewable-Energy-and-the-Governmental-Push-for-Sustainable-Development-Goals-of-India.jpg>

## IMPLEMENTATION ASPECTS

### 1] Policy Framework and Institutional Mechanisms:

Government Policies: A summary of important renewable energy-related policies, including the National Solar Mission (NSM), the Renewable Energy Policy, and the National Action Plan on Climate Change (NAPCC). State-level policies that support federal ones will also be covered.

**Institutional Setup:** How ministries and government organizations work together to manage and carry out renewable energy projects at the federal and state levels, such as the National Thermal Power Corporation (NTPC), the Solar Energy Corporation of India (SECI), and the Ministry of New and Renewable Energy (MNRE).

**Regulatory Bodies:** The function of agencies like the State Electricity Regulatory Commissions (SERCs) and the Central Electricity Regulatory Commission (CERC) in establishing tariffs for renewable energy projects, guaranteeing compliance, and assisting in the implementation of policies.

## **2] Financing Mechanisms :**

**Government Funding and Subsidies:** An explanation of government programs like the Accelerated Depreciation (AD) benefits, the Viability Gap Funding (VGF), and subsidy programs for wind energy projects, solar rooftops, and bioenergy projects.

**Engagement of the Private Sector:** the promotion of private investment through programs such as green bonds, Power Purchase Agreements (PPAs), and company participation in renewable energy capacity auctions.

**International Partnerships and Funding:** An examination of India's involvement in international financial programs, like the International Solar Alliance (ISA), which offers financial support and technical guidance for renewable energy projects.

## **3] Technological Development and Innovation:**

**Technology Adoption:** The advancement of cutting-edge renewable energy technologies, including offshore wind farms, solar photovoltaic (PV) systems, and bioenergy solutions. Research and development (R&D) is supported by the government through national initiatives and incentives.

**Energy Storage Solutions:** To combat the intermittent nature of renewable energy sources like solar and wind, government programs are working to develop storage solutions like battery energy storage systems (BESS).

## **4] Capacity Building and Skill Development :**

**Training Programs:** Through collaborations with academic institutions, trade associations, and vocational programs, the public and private sectors have undertaken programs aimed at preparing workers for careers in renewable energy.

**Increasing State and Local Government Capacity:** enabling state-level organizations and local organizations to organize, carry out, and oversee renewable energy projects.



Public awareness campaigns are initiatives designed to inform businesses and the public about the significance of adopting renewable energy sources and energy-saving practices.

### 5] Project Monitoring and Evaluation:

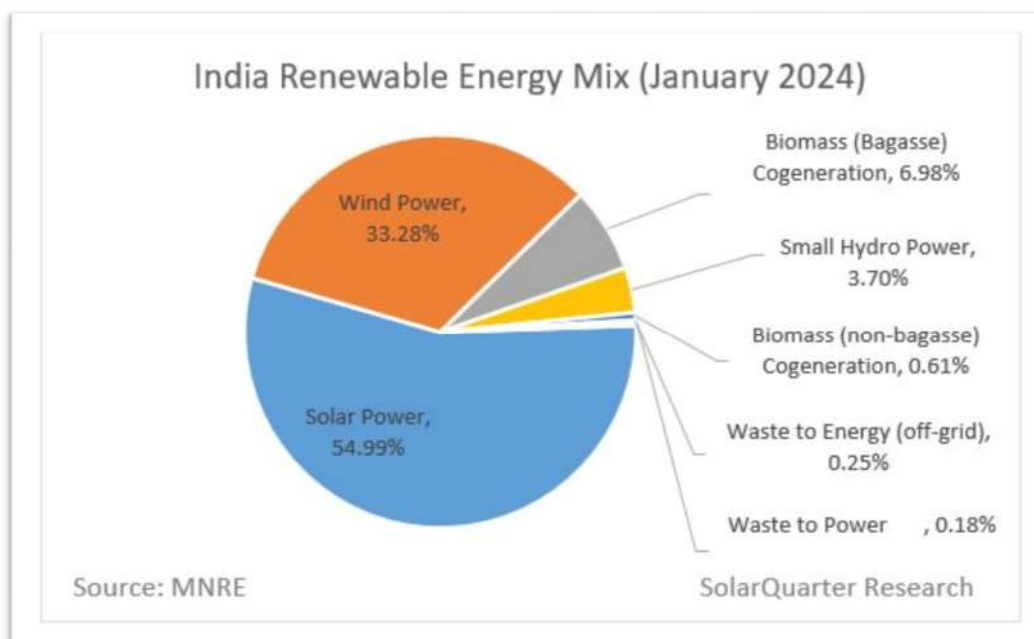
**Monitoring Progress:** Systems for keeping an eye on the execution of renewable energy projects using platforms like the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya Scheme) and assessing how well renewable energy targets are being met.

**Performance Indicators:** How the government monitors the effectiveness of renewable energy projects using metrics like installed capacity, energy production, and the decrease in greenhouse gas emissions.

### 6] Public-Private Partnerships (PPP) and Collaborative Efforts:

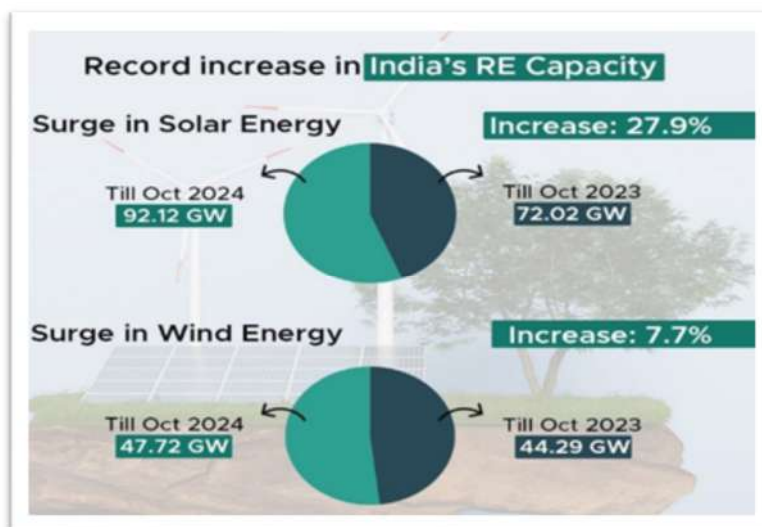
**Public-Private Partnership:** An emphasis on effective examples of PPP models in the field of renewable energy, wherein the government works with private enterprises to develop and manage renewable energy projects.

**Global Partnerships:** Through financial support, technical assistance, and information exchange, international alliances like those with the US, France, Japan, and the EU help India achieve its goals for renewable energy.



### SOURCE:

<https://i0.wp.com/solarquarter.com/wp-content/uploads/2024/02/Jan2024.jpg?resize=624%2C376&quality=89&ssl=1>

**SOURCE:**

<https://currentaffairs.khanglobalstudies.com/wp-content/uploads/2024/11/image-7.png>

**EVALUATION OF THE IMPACT**

Numerous aspects, such as the effects on the economy, society, environment, and politics, could be the focus of the impact assessment. Here's a breakdown:

**1) Profitable Impact:**

Creation of Employment Jobs in industries such as hydropower, wind, solar, and biomass are created as a result of government initiatives that promote renewable energy.

The labour request is significantly impacted by the construction of structures, exploration and development, and the manufacturing of components for renewable energy. Independence in energy by increasing the share of renewable energy in the public grid, India can reduce its dependency on imported radioactive energy, improving energy security and stabilizing prices. This change could lead to a decrease in the public trade deficit.

Opportunities for investments: Countries with advantageous programs, subsidies, and incentives attract both foreign and domestic investment. Because the renewable energy sector is becoming a hotspot for green investments, clean technology is expanding.

Renewable energy sources are expected to become more affordable in the long run, reducing energy costs for both consumers and businesses. However, initially, there might be high costs of perpetration, making mitigation strategies difficult.

**2) Environmental Impact:**

Decrease in emissions of greenhouse gases. Renewable energy sources like solar, wind, and hydropower have a lower carbon footprint than conventional fossil fuels. This shift contributes to climate change mitigation and the achievement of transnational climate agreements, such as the Paris Agreement.

Preservation of funds: When renewable energy sources are used more consistently, natural resources like coal, oil, and gas are used less. Additionally, it safeguards ecosystems that mining and drilling operations would otherwise affect.

Use of Land and Biodiversity: The overall impact of renewable energy systems, such as large solar farms or hydropower plants, is typically less hazardous than that of fossil fuels, despite the fact that they may have some unique environmental benefits (such as altered land use or water conservation).

**3) Social Impact:**

Development in Rural Area: Renewable energy systems can support profitable growth in pastoral areas by providing electricity, creating new jobs, and improving structure. For example, solar micro-grids can be used to power remote towns that are cut off from the main power grid.

Access to Energy The quality of life for millions of people is improved when government initiatives to increase the capacity of renewable energy sources improve access to clean energy in underserved areas.

Advantages for Health: Reducing the use of coal and other hazardous reactionary energy sources to generate electricity reduces air pollution, which in turn reduces respiratory illnesses and other pollution-related health issues.

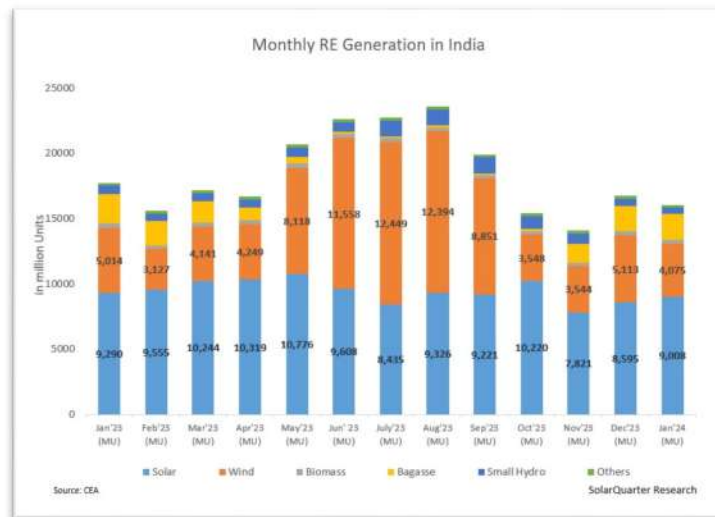
**4) Political and Governance Impact:**

Development of Policies and Prosecution. Government initiatives, such as the creation of renewable energy standards and regulations, have an effect on politics and governance. Perpetration problems like bureaucracy, inconsistent programs, and a lack of cooperation between the state and civil governments could impede progress. Image and International Relations: India can improve its reputation in international fora and project a more responsible image as a world leader in addressing climate change by making investments in green energy and pledging to meet renewable energy targets.

This could lead to stronger bilateral relations and international cooperation, especially with countries that place a high priority on sustainable development.

### 5) Long-term Impacts on Sustainable Development:

Leadership in Climate Action Worldwide. India's leadership in renewable energy can help strengthen international efforts to combat climate change by promoting similar behavior among other developing nations and achieving a balance between environmental preservation, social well-being, and profitable growth. Sustainable development will eventually be supported by a transition to renewable energy that is properly enforced.



#### SOURCE:

<https://i0.wp.com/solarquarter.com/wp-content/uploads/2024/03/Jan-2024-1.jpg?resize=884%2C624&quality=89&ssl=1>

### FUTURE TRENDS

#### • Expanded Capability and Technological Progress:

India's capacity for renewable energy, particularly solar and wind, is anticipated to grow significantly. It is anticipated that emerging technologies like floating solar, offshore wind, and hybrid power systems (solar-wind) will take center stage. The intermittent nature of renewable sources will be supported by the development of large-scale grid storage solutions and energy storage technologies like lithium-ion batteries.

#### □ Innovation and Involvement of the Private Sector:

In order to scale renewable energy projects, more private sector participation will be essential. Private companies will increasingly work with the government to promote innovation in technology deployment, project execution, and financing

methods. Impact investments, green bonds, and crowdfunding will all grow in importance as financial instruments for renewable energy projects.

□ **The circular economy in relation to renewables:**

In order to reduce waste and establish a sustainable, circular economy for renewable energy materials, there will be a push to recycle and reuse renewable energy technologies (such as solar panels and wind turbine blades) as India's capacity for renewable energy increases.

□ **Electrifying Transportation:**

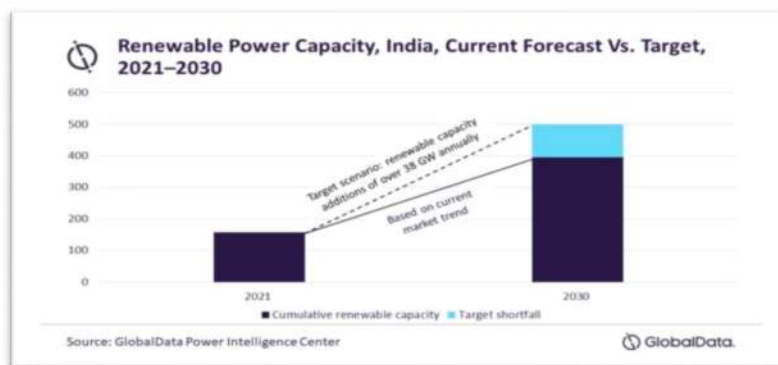
The need for clean energy will grow as more people use electric vehicles (EVs). The expansion of renewable energy will be linked to the government's push for EV infrastructure and energy-efficient transportation systems, particularly for charging infrastructure.

□ **Digitalization and Smart Grids:**

Better load management, less energy waste, and increased grid reliability are all made possible by the integration of smart grids, AI, and IoT into energy systems. This trend will guarantee grid stability and maximize the use of renewable energy.

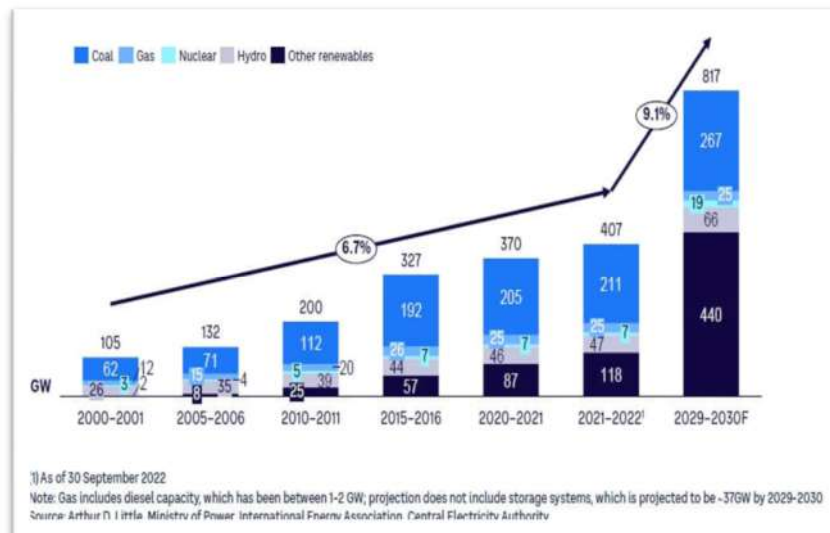
□ **The Sustainable Development Goals (SDGs) and Policy Integration:**

It is anticipated that India will further align its renewable energy policies with the SDGs, specifically with regard to economic growth, climate action, and affordable and clean energy. Adoption of renewable energy will likely increase as climate policies become stricter.



**SOURCE:**

<https://www.pv-magazine-india.com/wp-content/uploads/sites/8/2022/07/Screenshot-2022-07-13-162419-600x305.jpg>

**SOURCE:**

<https://www.adlittle.com/sites/default/files/inline-images/Figure%203%20Indias%20energy%20vision%20202030.jpg>

**CHALLENGES AND BARRIERS**

❑ **Technological Challenges:**

For renewable energy projects, India is largely dependent on imported machinery and technologies. This reliance drives up expenses and exposes the industry to changes in trade regulations, currency fluctuations, and global supply chain disruptions.

❑ **Deficiencies in Infrastructure:**

The widespread use of renewable energy is hampered by inadequate power transmission and distribution infrastructure. Since many regions with abundant renewable energy are remote from demand centers, long and expensive transmission lines are required.

❑ **Integration of the Grid and Stability:**

There are many technical obstacles in integrating renewable energy into India's current electrical grid. Grid stability may be strained by the sporadic and variable nature of renewable energy sources like wind and solar, necessitating large investments in energy storage and grid modernization.

❑ **Problems with Land Acquisition:**

Land is needed for renewable energy projects, especially wind and solar farms. Land acquisition frequently takes longer than expected because of disagreements,

opposition from nearby communities, and administrative roadblocks, particularly in rural and environmentally sensitive areas.

□ **Policy Inconsistency and Fragmentation:**

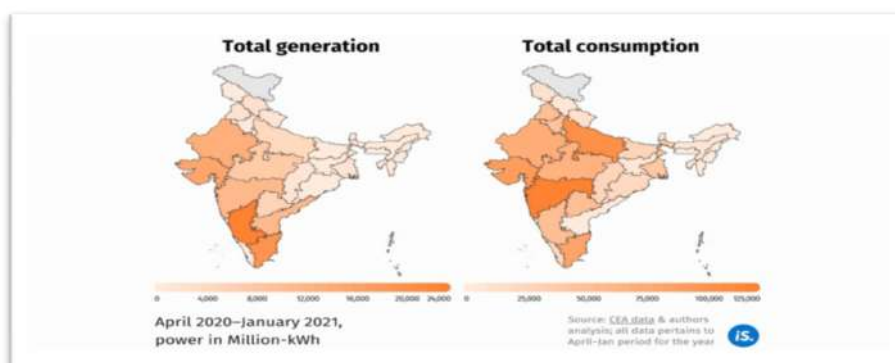
Despite many efforts, policies are frequently fragmented due to a lack of coordination between the federal and state governments. For developers and investors seeking stable frameworks, the disparity in state-level incentives and regulations presents difficulties.

□ **Environmental and Social Concerns:**

Potential environmental effects, such as habitat destruction for wind farms or water usage for solar plants, may cause opposition to renewable energy projects. If local communities believe that a project will not provide enough benefits or that there is a risk of displacement, they may also oppose it.

□ **Dependencies on International Markets:**

India's renewable energy industry is susceptible to changes in the world market. For example, changes in the price of vital parts like batteries and photovoltaic cells can affect project budgets and schedules.



**SOURCE:**

<https://www.indiaspend.com/h-upload/2021/08/16/533288-updated-remaining-challenges-for-renewables-in-india.jpg>

**CONCLUSION**

To sum up, the Indian government has launched a number of programs and policies to support renewable energy sources and fight climate change. The National Solar Mission, AMRUT, NAPCC, PM-KUSUM, Ujjwal Bharat Scheme, RPOs, and FAME India Scheme are some of these policies. These regulations seek to lower carbon emissions, encourage energy efficiency, and expand the capacity of renewable energy sources.

Policy frameworks, funding sources, technology advancement, capacity building, project monitoring, and public-private partnerships are some of the elements that go into putting these policies into practice. These elements address how government agencies cooperate, finance renewable energy initiatives, create new technologies, educate employees, track project advancement, and work with private businesses.

Economic growth, job opportunities, better energy access, lower greenhouse gas emissions, and social development are all results of these policies. Long-term effects include a shift to a circular economy for renewable materials, sustainable development, and global leadership in climate action. Technological developments, private sector participation, decentralized energy production, transportation electrification, digitalization, and smart grids are some of the future trends in renewable energy.

Technological limitations, infrastructure deficiencies, budgetary constraints, grid integration issues, land acquisition issues, inconsistent policies, environmental concerns, and reliance on global markets are just a few of the obstacles and hurdles that must be overcome. For India's renewable energy industry to continue to prosper and expand, these issues must be resolved.

All things considered, the policies the Indian government has put in place show a dedication to moving toward a cleaner, more sustainable energy future. India can strengthen its position as a global leader in renewable energy and aid in the fight against climate change by tackling these issues and carrying on with its innovation and cooperation.

**SOURCE:**

<https://minikosh.com/wp-content/uploads/2024/05/Untitled-design-2024-05-25T233927.893-1-1024x538.jpg>



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## GRIDLOCKED IT PARKS: IMPACT OF TRAFFIC ON PUNE'S IT PARKS

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*Pune, known as the "Oxford of the East," has become a major IT hub in India, with tech parks like Hinjewadi, Magarpatta City, and Kharadi hosting many national and international companies. However, the city's rapid growth has led to severe traffic congestion, affecting employee productivity, satisfaction, and the competitiveness of IT companies. This paper explores the traffic issues in Pune's IT parks, looking at data, expert views, and the economic, environmental, and health impacts. In areas like Hinjewadi, where over 500,000 employees work, long travel times are common, negatively impacting work-life balance and business efficiency. Traffic congestion costs the city hundreds of crores annually due to lost time and fuel. It also contributes to high carbon emissions and health problems, such as respiratory issues. While companies have introduced flexible hours and shuttle services to help, the relocation of businesses from congested areas like Hinjewadi shows the need for immediate action. Drawing on examples from cities like Singapore and Bengaluru, this paper suggests both short- and long-term solutions, such as better infrastructure, improved public transport, and sustainable travel options. Addressing traffic congestion in Pune's IT parks is crucial to maintaining the city's growth and global competitiveness, requiring a collective effort from all stakeholders.*

**Keywords:** *traffic congestion, work-life balance, employee productivity, public transport*

### **Introduction**

It has earned the name as the Oxford of the East, and Pune soon transformed itself into one of the IT hubs of India, housing a base of innumerable global and national companies. From being dominated by numerous parks such as Hinjewadi, Magarpatta City, and Kharadi, the IT domain in Pune has really been one of its major props: adding lid to employment creation, revenues, and urban development.

However, unexpected growth seems to have trouble. One trouble, however, is associated with traffic jams. Employee productivity, satisfaction, and, finally, competitiveness in the IT company start to stub their toes when faced with traffic congestion. This paper takes flicks through the different pathways of traffic congestion running through Pune's IT parks, substantiating such pathways with data and expert opinions and recommendations for sustainable solutions.

**Objectives of the study:**

1. Analyze an impact of traffic congestion on IT parks in Pune.
2. To determine Cost associated due to traffic congestion in terms of Economic, Environmental and health issues.
3. To suggest measures for minimize the traffic congestion in IT parks.

**Traffic Jam in IT Parks in Pune****• Statistical Report**

Pune traffic jam situation is at an alarming stage. As per TomTom Traffic Index in 2023, Pune was ranked as the second city in India where the maximum time spent on road for the populace is 256 hours. Hinjewadi IT Park, which has 500,000 employees, witnesses a long jam of up to 90 minutes for less than a 10 km distance in the peak hour.

**• Examples of Affected IT Parks****• Hinjewadi:**

Poor Road connectivity and narrow entry/exit points make traffic congestion here a daily affair.

**• Magarpatta City:**

Even though it is a planned IT hub, the area faces increasing traffic from the surrounding residential areas and office spaces.

**• Kharadi:**

Rapid urbanization has outpaced infrastructure development, making the area's traffic chaotic.

Hinjewadi Design Engineer Manish Sawant laments, "What ideally should be a 20-minute drive to work is over an hour. It is mentally and physically draining and affects work-life balance." A park administrator laments, "Companies are losing precious hours of productivity through the hands of these inefficiencies."

- **Economic and Productivity Impacts**

**Economic Costs**

Pune traffic causes annual losses running into hundreds of crores. As per the Pune Municipal Corporation (PMC), these comprise of:

- ₹1,200 crores of lost productivity.
- ₹300 crores in wastage of fuel annually.

**Corporate Adjustments:**

Several companies have made flexible working hours, work-from-home policies, and corporate shuttles to counter traffic. To illustrate, Infosys has introduced staggered shifts and transport services for employees to lower peak-hour load.

**Competitiveness of the IT Industry**

The congestion is making firms reconsider Pune as a viable location. Over the last decade, 37 companies have shifted out of Hinjewadi to other locations, citing among others traffic and poor infrastructure. The exodus could threaten Pune's lead position in IT if swift action is not taken.

**Environmental and Health Effects****Environmental Effects**

- IIT Bombay reports that Pune's traffic is responsible for 25% of the city's total carbon emissions.
- Air quality in places like Hinjewadi often exceeds the threshold limits of PM2.5, which can adversely affect long-term health.

**Health Effects**

- **Stress:** Long travel times of more than two hours per day result in increased stress levels among workers, which may cause burnout.
- **Respiratory Problems:** Prolonged exposure to vehicular pollution causes asthma and other respiratory diseases.

**Sustainable Efforts**

Programs like carpooling apps and electric vehicle (EV) adoption are gaining grounds. For example, some IT companies have collaborated with ride-sharing platforms to encourage employees to travel together or carpool.

**Solutions and Recommendations***Current Infrastructure Projects*

- **Pune Metro:**

Once completed, this is expected to save substantial time for IT park employees.

- **Bus Rapid Transit (BRT):**

Plans for expansion will improve accessibility to public transport in IT corridors.

*Best Practices in Other Cities*

- **Singapore:**

It uses congestion pricing during peak hours.

- **Bengaluru:**

Tech parks there offer shuttle services exclusively and dedicated carpooling lanes.

### **Recommendations**

- 1. For IT Parks:**

In-house shuttle systems and incentives for carpooling should be promoted.

- 2. For Companies:**

Enhance adoption of flexible and hybrid work models

- 3. For Policymakers:**

Complete metro lines, and improve road infrastructure around IT parks.

### **Conclusion**

Traffic congestion in the IT parks of Pune is a serious challenge, and it requires collective action. From economic losses to health implications, the stakes are very high. However, if the stakeholders, IT companies, urban planners, and policymakers can work cohesively, then Pune can win over this challenge. Pune's IT sector needs sustainable innovative solutions to ensure its future growth and global competitiveness.

### **Sources for Statistical Data and Examples**

- Pune Traffic Police Reports
- Pune Municipal Corporation (PMC)
- Indian Institute of Technology (IIT) Bombay Studies
- National Highways Authority of India (NHAI) Updates
- News Articles from *The Times of India*, *Hindustan Times*, and *Indian Express*

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**Abstract**

*This research paper serves as a cautionary analysis about investment in memecoins. Memecoins are a subcategory of cryptocurrencies that are often created as experiments in speculative trading, driven by promises of strong community, Fear of Missing Out (FOMO), and illusionary hype. This paper explores why memecoins are a risky investment due to insider trading, sniping, market manipulation, and their tendency to operate as "pump and dump" schemes, with only a few exceptions. It also examines the potential for these projects to become more sustainable and highlights the dangers of investing in them without solid backing or long-term plans.*

**Keywords:** memecoin, cryptocurrencies, risky investment, speculative trading, Fear of Missing Out (FOMO)

**Introduction**

Memecoins have emerged as one of the most highly volatile and controversial investment options from the past few years. These Memecoins that started as a joke by Billy Markus and Jackson Palmer in 2013 called Dogecoin, have been an inspiration and start of Huge memecoins project like Shiba Inu, Space Moon and Thousands of crypto projects especially since 2020.

These Memecoins are cryptocurrencies that are created for fun, fuelled by hype buzz, memes, jokes, and even viral sensation. These memecoins are not developed with high technological backing like Bitcoin or Ethereum but most of the time by technological backing provided by platforms like Solana or Binance Smart chains which provide necessary infrastructure for their creation and trading. Few memecoins even incorporate features such as decentralized finance (DeFi) protocols, smart contracts, and community governance mechanisms, which add a layer of functionality and potential utility, even though their primary appeal remains rooted in viral culture and speculation.

**How do Memecoins operate?**

Built on Blockchains like Ethereum and They typically operate on blockchain networks like Ethereum or Binance Smart Chain and use smart contracts to automate transactions. After creation of said memecoins the creators and large pool investors advertise and create a community to participate in these coins. Usually, they use celebrities and influencers to endorse them.

**Why are they so popular?**

Their popularity exists because of high returns and Low-cost entry point. After the success of Dogecoin and Shiba Inu most of the memecoins are publicised to be fun Get rich quick scheme with however considering their failure rate it is observable that most of them only work on manipulation and deception of individual.

**Key players****Developers**

Devs are the one who create and launch the memecoin in the market by writing its code, deploying the smart contracts, and controlling the initial direction of the project. These devs can either be transparent or anonymous but it may lead to doubts in the project.

Let us look at some of the Key players in these ecosystem -

**Insider Traders**

Insider traders are individuals who have access to privileged information about a meme coin's potential price movements, often before the broader public gets involved.

**Snipers**

Snipers are investors or bots that look for new memecoin listing on exchange platforms and instantly buy tokens as soon as they are available aiming for short term quick profits. They usually create huge price surges that create temporary liquidity that soon dies out leading to loss of retail investors.

**Retail Investors**

Retail Investors are everyday investors that buy that coin after getting attracted through hype, celebrity endorsement or FOMO, however due to lack of knowledge end up losing their money on such projects.

**Community and Influencers**

Quickest way to boost a coin is by creating a community on social media platforms like Twitter (X), Instagram, Telegram, etc. Using Influencers and Celebrities They Boost up the token to highs.

**Whales**

Whales in these contexts are individuals or an entity that own a large share of tokens in these projects they are responsible to create large fluctuations and Volatility by buying and selling in massive quantities.

**Literature Review****Introduction and Evolution of memecoins**

Memecoins are cryptocurrencies named after a character, animal, individual, or anything else to attracting a community to invest them. They are created and promoted as a fun light-hearted humorous gimmick that is used to invite investors. These coins operate on blockchains provided by platforms like Ethereum, Binance and Solana for a price.

**Evolution of Memecoins –**

The Birth of memecoins started with Dogecoin in 2013 by Billy Markus and Jackson Palmer as a parody of Bitcoin and the "Doge" meme. For long time these was mostly a joke among the crypto community back then with no serious financial ambitions. These coins were mostly used to tip and as a micropayment to online content creators by people.

Till 2020 many memecoins emerged in market Garlicoin (2018), Potcoin (2014) and Karmacoin (2014). However, they were just a fun gimmick and were only popular among the reddit and 4chan communities.

After 2020 The Memecoin resurgence began with Shiba Inu (2020) coin's launch, and it is gaining huge attraction after endorsement of celebrity like Elon Musk these gave rise to huge communities that participated in huge investment pool of such coins. After such success various MemeCoins emerged in market like SafeMoon and Floki Inu (named after Elon musk's dog) and other meme coins like PepeCoin (PEPE), MonaCoin (MONA), Kuma Inu (KUMA) and so many other that stacked investment on two factors -

FOMO- Fear of missing out is a feeling created by these developers and advertisers that people will miss large profits if they do not buy the tokens now. And people started buying into these coins in bulk waiting to find abnormally high profits promised by these investors.

Celebrity Endorsement & Social Media Influence- The second key factor is celebrity endorsements and social media influence. Celebrities like Elon Musk, Snoop Dogg, and



others have played a pivotal role in the rise of meme coins by officially supporting them, tweeting about them, or sharing memes that bring attention to these projects.

### **Currently in 2024-25**

The market is being flooded by thousands of such crypto projects with no technical and financial merit. These coins are launched daily with no future, clear usage, or no whitepaper. Rise of Rug pulls have becoming common in these projects with recent examples being Poodlecoin where initial investors left the project after launch after gaining significant investment from people building a community based on hype with no clear future. Even Snipers actively participate in such projects to find a little profit through Bots and algo trading making all the upcoming project a huge Risky investment with odds of even find profit being extremely low. Many projects that currently are launch observe huge fall after a month of launch, a day of launch or even after an hour of launch in most of the cases. The concept of speculative bubbles has been frequently applied to meme coins, which often experience dramatic price increases followed by equally steep declines (Nasar, 2021). So, why do investors still trust and invest in these highly volatile assets with such high risk? Well a clear answer to these questions is just high profits, as absurd investments these appear to be they still seem to attract millions of people across the globe because of lower entry fees low restrictions and such huge volatility! As risky as they are they have created huge profits to very few individuals that participate in them these leads to other believing that even they could be capable of playing in such market either as a sniper or retail investors etc. However, there is no promises future of such tokens simply because they are not even created to sustain these days. The reason Shiba Inu and likes of it have succeed as compared to all the other memecoins because it has a stronger community, stronger memetic appeal, solid ecosystem and development, strategic partnership and listing and lastly token burn mechanisms to create a sense of scarcity. It also has real world use cases and used as payments. These points contribute to a strong backbone since after launch made by hype, they now are converted to be sustainable. Even if now days memecoins are launched with good faith and an endorsement for future, the huge rug and pull communities and snipers make it near impossible for the coin to sustain long enough in its hype phase and before converting in stable currency loses all the investors due to growing lack of faith of sustainability itself. Let us look at two studies one of the sustainability charts of few promising coins

that failed to grow in long run as compared to Shiba Inu and then look at a real-life example of how the Rug pull community operates.

### **Methodology**

This research paper employs a dual-methodological approach to examine the phenomenon of meme coins, focusing on two distinct aspects: (1) sustainability trajectories and (2) the mechanics of rug pulls. Each method involves qualitative and quantitative analyses to provide a comprehensive understanding of these phenomena.

Tools Used:

Blockchain analysis platforms (e.g., Coinmarketcap, CoinGecko,).

Social media archives (e.g., Reddit, Twitter(X), YouTube).

I have used Google as a search engine and advance search as one of its features to find articles related to project from year ago.

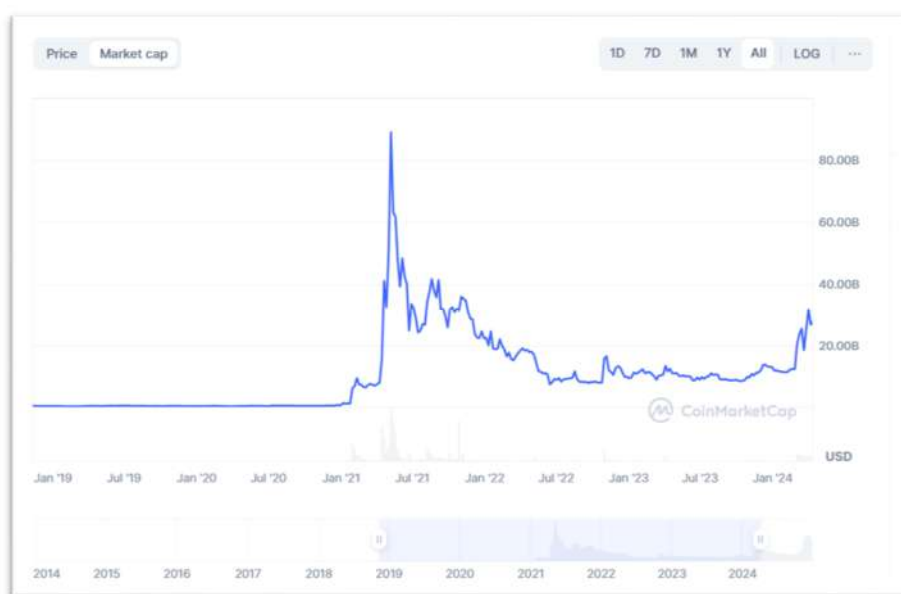
Google Scholar as a platform was used to read and study about book, articles, and research paper on Cryptocurrencies.

### **Observation and Analysis**

Case studies of specific meme coins.

Sustainability trajectories of Memecoins

#### ***Dogecoin(\$DOGE)***



The chart above shows all time Market capital of dogecoin. From the chart of timeline Jan 2019 to Apr 2024, we can observe that before the start of the hype phase at 1/1/2021 the Memecoin was just a fun investment by crypto traders however, after 2021 and after endorsement by Elon musk the Coin saw huge surge of investors with

its capital hitting 89 billion dollar by April 2021! However, Decline has been observed with few pull backs or supports.

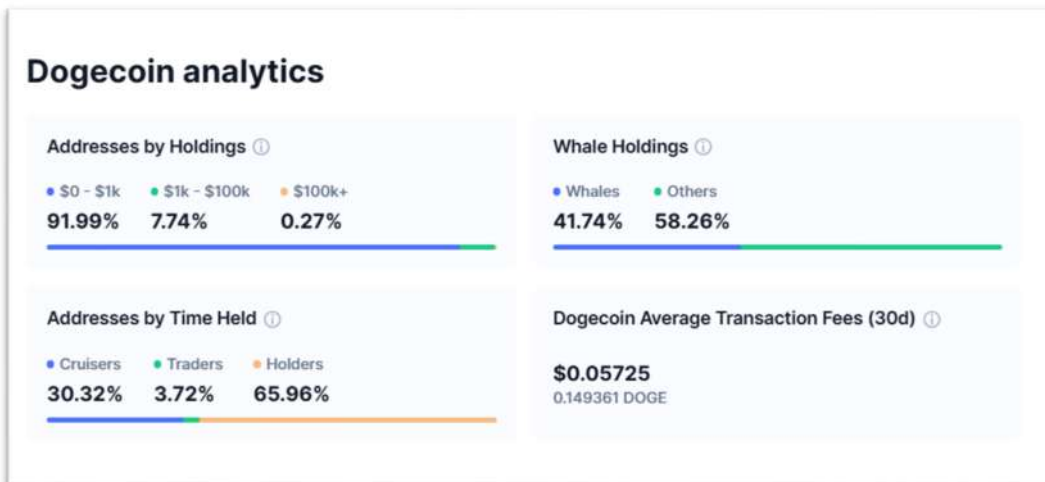
HERE, few tweets of Elon Musk supporting Dogecoin.



After 2022 till 2023 Dogecoin observed a slow decline. The turning point for the Dogecoin occurred after The American Presidential Election on November 6, 2024, where The Republican Party won by overwhelming support. Musk was one of the supporters and even upfront to participate in Republican campaign, after the victory Dogecoin along with Siba Inu so many other MemeCoins and even Cryptocurrency across the globe so huge rise in their valuation and investment.



This helps the coin become relevant once again with market cap going towards sixty billion. However, after the hype of election victory, the coin has once again seen a downward spiral.

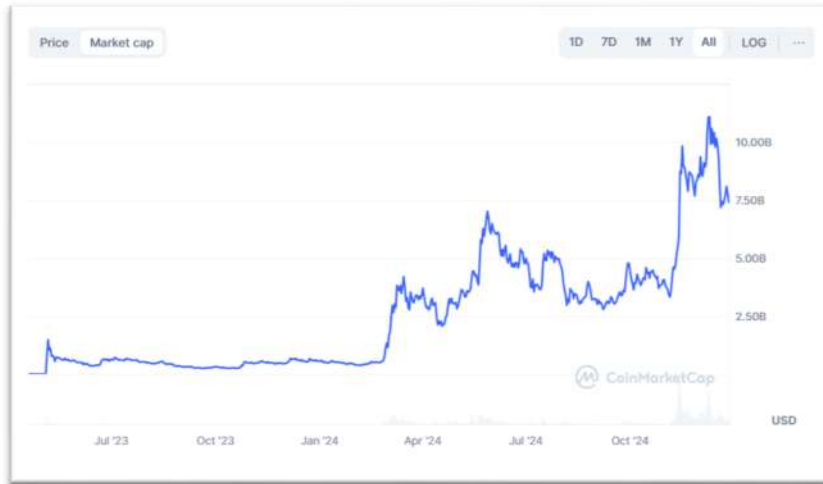


From the above chart, we can observe that with holders’ percentage being around 65.96% people do have a trust for its rise again in near future.

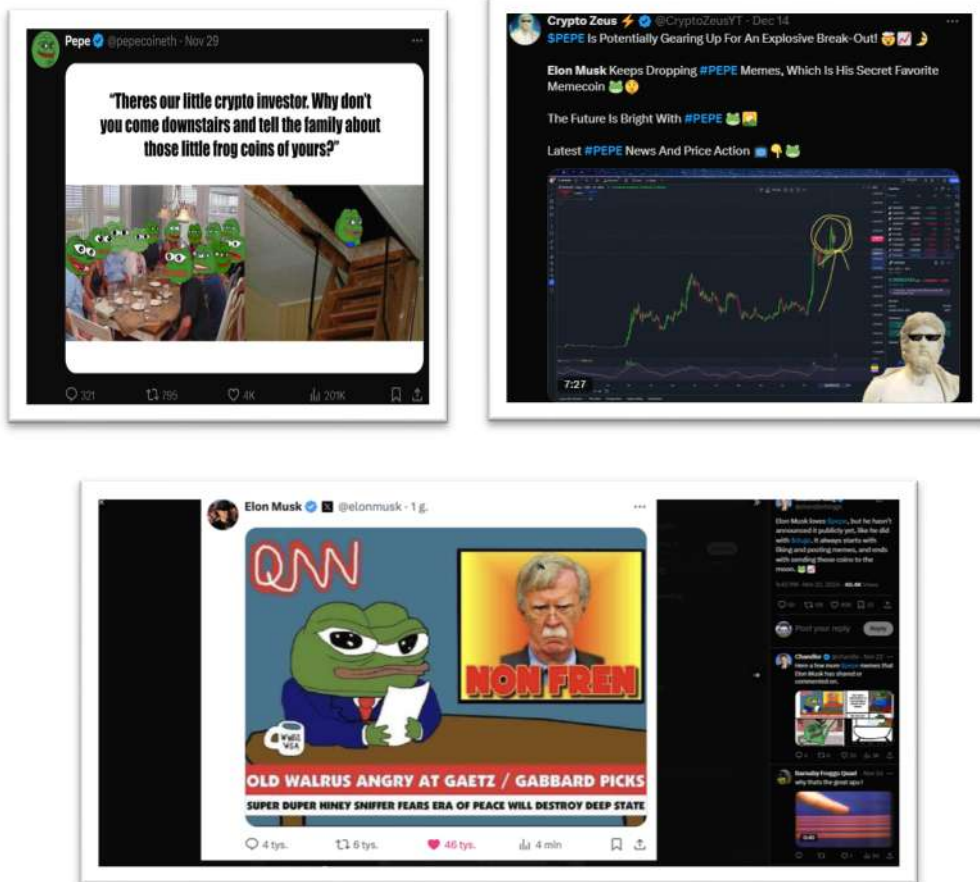
***\$PEPE***

PEPE is another famous memecoin that has observed sustainability. These Memecoin was hyped on reddit and other social media apps that saw its organic hype with strong building community.

Its launched was launched on start of 2023 and since then as observed immense rise in its popularity without observation of significant death of trend.



Here are some images of investors endorsing pepe on Twitter,



Here Elon indirectly endorsing PEPE, through occasional memes and comments.

It is also observable that PEPE reached ten billion dollars in market cap, which is its highest peak after few days of Election with the coin making a strong resistance to fall. However, when we observe analytics, we can find that holder by percentage is lower than the cruiser that is people with medium term goals so though people have a strong sentiment towards the memecoins currently its future is hard to predict.

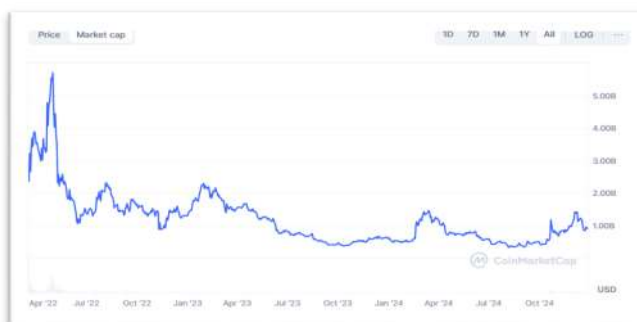


**Apecoin(\$APE)**

Unlike Pepe and Dogecoin, Apecoin was immensely popular at the start of its launch in the beginning of 2022. Apecoin is part of a larger Apecoin ecosystem linked to Bored Ape Yacht club, a popular NFT collection.



Celebrity endorsement like Eminem and Snoop dog who collaborated with this project and released songs related to it and openly endorsed the project.



From the above chart of market cap (on left) and Price chart (on right) the Apecoin saw enormous success in the start. However, in just two months after the launch of the coin the price started declining steadily. Speculation exists to why people lost the faith in coin which could be linked to fall of their NFT collection and considering that Apecoin was part of similar ecosystem its value relied on fluid payment in ecosystem itself.

Even after the fall of NFT across the globe, the Dev failed to even announce new projects related to it or even convert it into new projects.

From current state of APE, we can observe that Developers are still the major holder of coin however, the majority movement which is mostly selling done by Cruisers and Traders who are significantly short selling the coin.

With the lack of any attention and announcement from community or developers this memecoin has become a dormant or just a dead project.



## Rug Pulls

For the second study of these paper, we will investigate how the rug pull of the memecoins takes place.

For these we will take an example of popular memecoin project that gained attraction because of it links to A popular Tv Show Squid Game.

### Squid Game Token (SQUID)

The Squid Game Token (SQUID) was a cryptocurrency launched in October 2021, inspired by the popular Netflix series. It claimed to offer a play-to-earn model, where players could participate in virtual games based on the show and earn rewards in SQUID tokens. The token saw rapid growth due to hype and social media attention, with its price soaring to over \$2,800 at its peak.

However, the project turned out to be a rug pull. Shortly after reaching its peak, the developers drained the liquidity pool and abandoned the project, leaving investors with worthless tokens. The token also included an "anti-sell" feature, preventing holders

from selling their coins, which ensured the fraud's success. This case highlights the dangers of meme coins driven by hype without real utility or long-term plans, and the risks of investing in projects with no transparency or development roadmap.

### **Hype, Manipulation and the Rug Pull**

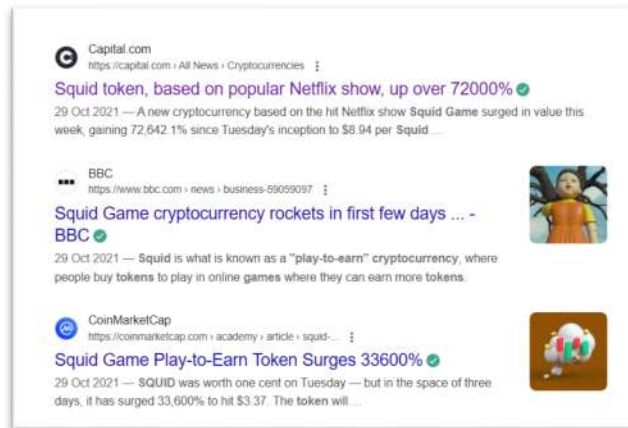
In the October of 2021, the project was started by anonymous developers who announced a project inspired after then released Tv Show about Squid Games, a tv show where Adults participate in children's game for a massive cash prize but deadly consequences. The Tv Show gain massive audience and the developers used the hype of the show to create a Memecoin game. They made the website with the squid game design with iconic set design and costumes integrated. They Created a whitepaper and Roadmaps and idea pages spreading across social media spreading the idea and how it could be a huge thing.



Above are the images from the whitepaper issued on the website which has been taken down since by developers the very day of fraud.



They used the initial investors, and their community create a buzz around the coin by asking them to share memes and posts regarding the memecoin. It was a success since the idea and show were so unique many naïve retail investors joined the hype train. The project was so massive that it made headlines across the internet with large media houses covering its huge Rise in its valuation and price.



However, there was a wave of caution because of the mechanism of Labelled ‘anti-rug pulls’ which dev said was made to avoid Rug pull, however it was actually designed so that when the rug pull will take place investor would be unable to cash out their token which will make the job of rug pulling easy.

Finally, when the coin was launched, some holders began noticing that selling the token was impossible due to the “anti-sell” feature, which prevented them from liquidating their assets. It reached to price \$2856 which was higher than tesla share back then which was valued \$2136, this was one of the most successful memecoin launch until that point in time, until.



After just 10 minutes, the price crashed from its peak to absolute near zero, and investors were left with worthless tokens.

The website and social media accounts related to the token were taken down, and the team went into hiding.



As the news spread, many investors realized they had been defrauded. The community quickly reacted with frustration and anger.

Media outlets and crypto experts began investigating, highlighting how the lack of transparency, anonymous developers, and no real utility allowed the fraud to unfold.

## Discussion

Memecoins have emerged as a unique and volatile segment of cryptocurrency. As explored in the above studies about Dogecoin, Pepe, Apecoin and Squid we can observe these Memecoins regardless of their nature are very speculative investment. They are all driven by Hype, FOMO, and celebrity endorsements. Dogecoin, Shiba Inu and Pepe are some of the very few tokens who have survived and sustained because of Strong Community support which observed through there holding and the developers Vision for the Future. While majority of memecoins fail to maintain their value which often results in loss for investors.

### Lack of Strong Foundation-

Majority of Meme Coins that are created are built on shaky foundation, lacking technological robustness and financial infrastructure to operate on large scale.

The dollar is backed by the authority and economic stability of a government, Bitcoin is backed by its groundbreaking blockchain technology and decentralized network, But

the meme coins are often backed solely by fleeting hype and speculative enthusiasm, offering little in terms of tangible value or security.

### **The Vulnerabilities of Meme Coins**

The meteoric rise of meme coins has made them prime targets for frauds, with rug pulls being one of the most prevalent forms of fraud. Projects like Squid Game Token leveraged hype from pop culture to attract unsuspecting investors, only to leave them with worthless tokens when the developers vanished with the funds. The SQUID rug pulls, which incorporated an "anti-sell" feature to trap investors, serves as a chilling reminder of how deceptive mechanisms can be disguised as safeguards.

Moreover, insider trading, sniper bots, and market manipulation by whales further amplify the risks. These tactics often result in massive losses for retail investors who enter the market based on fake promises.

### **Speculative Nature and an Uncertain Future**

Meme coins epitomize speculation, thriving on FOMO, social media buzz, and celebrity endorsements rather than genuine value creation. Their rapid rise and fall reflect the speculative bubble phenomenon, where prices are detached from any intrinsic worth. Even coins like Spacemoon, which saw significant short-term success, struggle to retain long-term relevance.

The speculative nature of these coins makes them a gamble rather than a calculated investment. Without significant changes to their structure and purpose, many meme coins will likely continue to fail, reinforcing the perception of them as a high-risk, low-reward asset class.

### **Can Meme Coins Achieve Sustainability?**

Despite their flaws, there are pathways for meme coins to evolve into more sustainable investments:

**Utility Creation:** Integrating practical use cases such as payment systems, DeFi applications, or gaming ecosystems.

**Transparency:** Projects must prioritize transparency, with identified developers, detailed roadmaps, and regular updates.

**Community Involvement:** Engaging the community in governance decisions fosters trust and loyalty.

**Strategic Partnerships:** Collaborating with established businesses or platforms lends credibility to the project.

Robust Tokenomics: Carefully designed mechanisms like token burns and staking models can instil confidence and scarcity.

### **Why Investors Should Reconsider Meme Coins**

For retail investors, meme coins represent one of the riskiest asset classes. The lack of inherent value, combined with the prevalence of frauds and market manipulation, makes them highly unreliable. Even successful meme coins are characterized by extreme volatility, with gains often benefiting early adopters or insiders at the expense of the majority.

Investors should be cautious of the alluring narratives around "get rich quick" schemes and celebrity endorsements. While the low entry cost and potential for high returns are tempting, the odds are overwhelmingly against sustained profitability. For most, safer investments with proven track records or well-established cryptocurrencies like Bitcoin and Ethereum offer more predictable and secure growth.

### **Conclusion**

Memecoins are a wild Phenomenon and one of the most highly attractive form of investment observable in recent years. It is Buzz lies in their humour, easy accessibility, and their promise for return, amplified by FOMO and celebrity endorsement. However, beneath the surface, most meme coins lack the stability and foundation needed for long-term success. Unlike fiat currencies backed by economies or cryptocurrencies like Bitcoin backed by innovative technology, meme coins are often driven by community enthusiasm and fleeting trends.

The cycle of frauds, rug pulls, and market manipulation has turned what could be fun and speculative into a minefield for investors. Rare exceptions like Shiba Inu and PEPE should blind investors from the fact that all the Memecoins follow the similar trajectory of predictable a rapid rise fuelled by FOMO, followed by a steep crash.

For investors, particularly those new to the crypto space, meme coins may seem like an enticing opportunity due to their low cost of entry. However, the high risks, lack of transparency, and frequent failures highlight the importance of caution and Due diligence from our end. As the market evolves, meme coins may serve as a reminder of the speculative nature of certain investments and the value of prioritizing projects with robust foundations and clear, sustainable goals.

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**ABSTRACT:**

*The rapid expansion of e-commerce has transformed consumer behavior, shaping how individuals make purchasing decisions, interact with brands, and perceive value. This paper examines the impact of e-commerce on the consumer mindset, exploring psychological, social, and technological factors. Through an analysis of current trends and studies, the research explores how e-commerce influences consumer expectations, trust, convenience, purchasing patterns, and loyalty. The findings suggest that e-commerce has shifted the focus of consumer decision-making towards convenience, personalized experiences, and an increased reliance on online reviews and recommendations.*

**Keywords:** *E-Commerce, Digital marketing, Exponential growth, Consumer mindset.*

**INTRODUCTION:**

E-commerce, or electronic commerce, refers to the buying and selling of goods and services over the internet. In recent years, e-commerce has experienced exponential growth, with platforms such as Amazon, Flipkart, and Ajio leading the way. This growth is not just a shift in where transactions occur but also reflects a deep transformation in the way consumers think, make decisions, and relate to brands. The purpose of this research is to explore how e-commerce affects consumer mindset and to identify key psychological and behavioral shifts resulting from this change.

**LITERATURE OF REVIEW:**

**Dr. Prafullkumar N. Tayade (March 2020)** explored the transformative role of e-commerce in business, describing it as a disruptive innovation that reshapes traditional business practices. E-commerce enables transactions, including buying, selling, and payment exchanges, over the internet, involving various models such as B2B, B2C, C2C, and C2B.

**Dr. Gagandeep K. Nagra and Dr. R. Gopal (June 2013)** highlighted that Indian consumers allocate about 55% of their expenditure on food, with food spending growing by 22%. They noted that online shopping behavior is influenced by factors like what, when, where, and how much to buy, with companies like Pizza Hut, Flipkart, and Amazon pushing digital buying to new levels.

**Researchers such as Smith and Anderson (2021)** have highlighted the role of convenience in driving e-commerce adoption. Their studies show that consumers prioritize accessibility and time efficiency over traditional shopping experiences. Similarly, Hsiao et al. (2019) found that the ease of use of online platforms significantly influences purchase intentions.

**Personalization has been a key driver of consumer satisfaction. According to a study by Li and Kannan (2014)**, data-driven personalized recommendations enhance customer experiences and loyalty. However, this is balanced by concerns over data privacy, as discussed by Acquits et al. (2015), who analyzed the trade-offs consumers make between personalization and privacy.

**Studies by Nguyen et al. (2021) and Zhao et al. (2022)** have investigated the environmental implications of e-commerce, particularly concerning packaging waste and carbon emissions from logistics. These works underline the importance of sustainable practices in mitigating the negative impact of e-commerce growth.

**Statements of the Problem:**

Online shopping has come with a variety of challenges since its inception. E-commerce platforms like Amazon, Flipkart, and others have gained global reach, but customers continue to face several issues, including:

- Product defects, which undermine customer trust and satisfaction.
- Delays in delivery, causing inconvenience and frustration.
- Limited product availability at the customer's location, leading to missed opportunities.

- The presence of fraudulent or unreliable e-commerce sites, increasing the risk of scams or counterfeit products.
- Concerns about the security of personal and financial information during online transactions.
- Misleading reviews or biased ratings that can distort consumer decision-making.
- Slow or ineffective customer service responses, resulting in poor customer experiences and dissatisfaction.

**OBJECTIVE OF STUDY:**

1. To gain a better understanding of the current growth state and trends in e-commerce.
2. Recognize the factors that influence customer visits to e-commerce sites.
3. To determine whether or not the buyer is aware of fraudulent e-commerce sites.
4. To investigate the impact of e-commerce sites on customer perceptions.

**HYPOTHESIS:**

- Respondents' age has an impact on the types of products they buy.
- The speed of product delivery and free shipping significantly influences consumers' willingness to make a purchase on an e-commerce platform.
- The presence of positive product reviews and high ratings significantly influences consumers' purchasing decisions on e-commerce platforms.

**RESEARCH METHODOLOGY:**

The information gathered from both primary and secondary sources.

**1. Primary Data:**

With the help of a questionnaire (GOOGLE FORM). A structured survey targeting potential users of ecommerce platforms to understand their psychology, preferences and behavior. It includes 63 samples and provided google links to respondents.

**2. Secondary Data:**

These sources include scholarly books specifically focused on the principles, strategies, and technological advancements in e-commerce, providing in-depth theoretical perspectives. Peer-reviewed journal articles, such as those from *The Journal of Electronic Commerce Research*, *International Journal of Electronic Commerce*, and *Electronic Commerce Research and Applications*, offer the latest

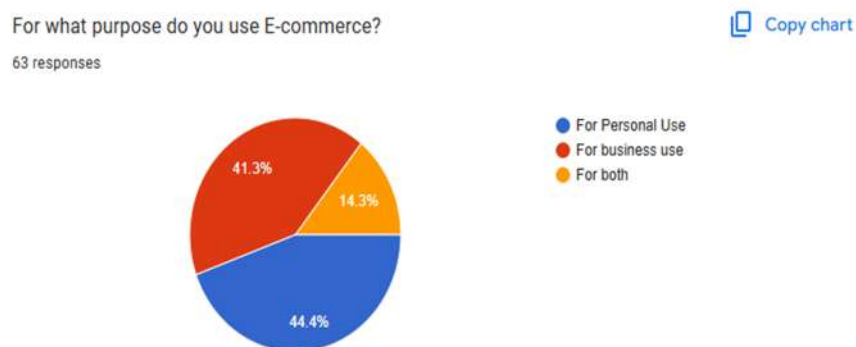


research findings and empirical studies. Industry publications and reports also contribute by shedding light on emerging practices, consumer trends, and market dynamics within the e-commerce sector. Additionally, reputable websites, digital platforms, and search tools like Google have been utilized to explore a broader array of resources, capturing the dynamic and rapidly evolving landscape of e-commerce. This comprehensive approach ensures a well-rounded and multifaceted exploration of the subject matter

**QUESTIONNAIRE:**

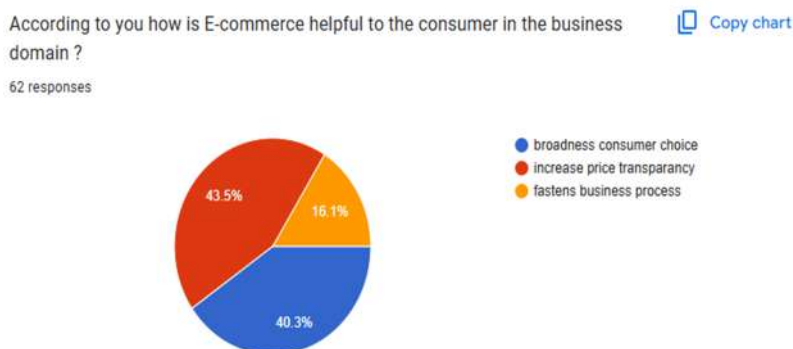
Data collection was conducted using a structured questionnaire administered through google forms allowing for efficient and standardized data collection process.

**Data collected through survey is as follows –**



E-commerce is used for personal purposes to shop for products and services online. For business, it enables selling products, reaching a wider audience, and managing sales efficiently.

E-commerce broadens consumer choice by providing access to a wide variety of products from multiple sellers. It increases price transparency, allowing for easy price comparison, and speeds up business processes, ensuring quicker transactions and delivery.

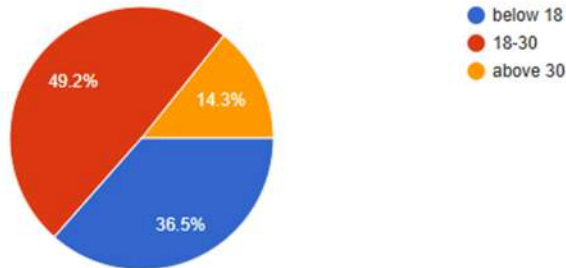


E-commerce broadens consumer choice by providing access to a wide variety of products from multiple sellers. It increases price transparency, allowing for easy price comparison, and speeds up business processes, ensuring quicker transactions and delivery.

How many age group of people use this platform ?

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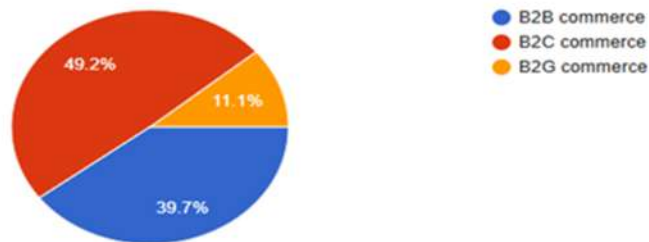
63 responses



Respondents' age has an impact on the types of products they buy.

From the various type of e-commerce what according to you has the largest marketing share?

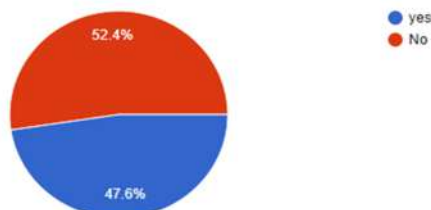
63 responses



B2B e-commerce holds the largest market share due to high-volume transactions between businesses, generating significant revenue. While B2C is also important, B2B typically leads in overall value.

how confident are you that online business adequately protect consumer data ?

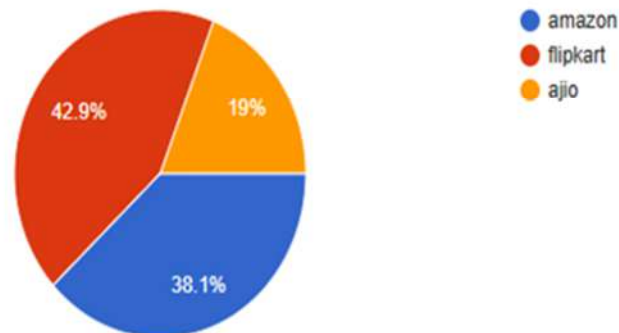
63 responses



While many businesses implement strong security measures, there are still concerns about data breaches, cyberattacks, and inconsistent privacy practices across different platforms.

which e-commerce platform you prefer the most ?

63 responses

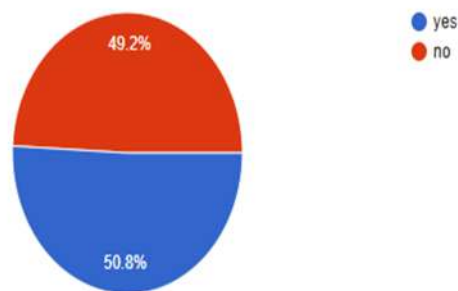


Amazon is the most preferred e-commerce website globally, while Flipkart is highly popular in India. Ajo is favored for fashion but has a more niche audience.

does your product choices are biased based on reviews and ratings published ?

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63 responses

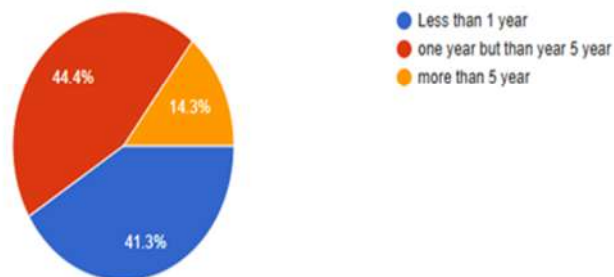


Yes, product choices can be biased by reviews and ratings, as consumers often rely on them to guide their purchasing decisions, influencing their perceptions of quality.

For how many years are using E-commerce

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63 responses



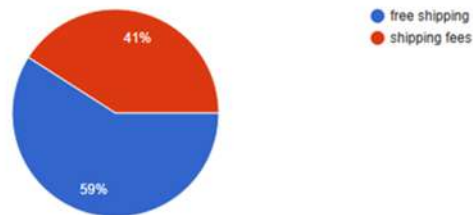
E-commerce has got it's boom from recent 5-6 years. However, youth is more concentrated population on ecommerce sites.

People generally prefer free shipping over paying shipping fees, as it adds value to the

what do you prefer ?

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61 responses

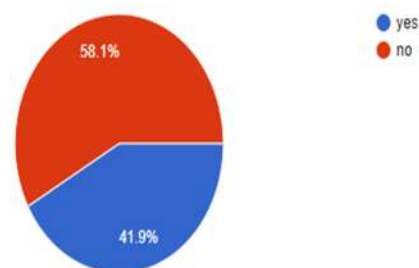


People generally prefer free shipping over paying shipping fees, as it adds value to the purchase and makes the shopping experience feel more economical. Free shipping is often seen as an incentive to buy more or complete a purchase.

have you experienced a security breach or fraud during an online transaction ?

[Copy chart](#)

62 responses



Many people have faced security breaches or fraud during online transactions. This can include unauthorized charges, identity theft, phishing scams, or the exposure of personal information due to weak security measures or compromised websites. Such incidents can result in financial loss or data misuse.

## FINDINGS:

- **Trust and Confidence in E-commerce Sites:**

Consumers are more likely to trust and make purchases from e-commerce platforms that offer high-quality information, professional design, and secure payment options. Clear, reliable product details and robust data protection are crucial factors in influencing consumer buying decisions.

- **Time Efficiency:**

E-commerce saves significant time by streamlining the shopping process, from product selection to payment, making it more efficient than traditional shopping. It

allows consumers to shop conveniently from home, especially benefiting those with busy schedules.

- **Consumer Protection and Transparency:**

E-commerce promotes consumer rights by providing transparent product information, allowing shoppers to access details about quality, price, and reviews. This transparency fosters trust, enabling consumers to make informed decisions and feel more confident in their purchases.

- **Cost Efficiency:**

E-commerce offers cost efficiency by eliminating intermediaries, allowing sellers to provide lower prices than traditional retail stores. This competitive pricing attracts price-conscious consumers, making online shopping an appealing alternative to offline methods.

- **Challenges in E-commerce:**

While e-commerce offers convenience and cost savings, it also presents challenges like the risk of faulty or counterfeit products, delayed deliveries, and the inability to inspect items before purchase. These issues can create uncertainty for consumers, though many platforms are improving customer service and delivery reliability to address them.

### **LIMITATIONS:**

- **Limited Demographic Diversity:**

The survey was restricted to a specific age group. The respondents were primarily from the 18-30 age group and may not reflect the preferences of older users, leading to a skewed representation of the broader user base.

- **Sample Size:**

The sample size and age distribution of the sample employed in this investigation are both limitations of this study. Because the sample size is so small (only 63 people), and around half of the people in the sample were under the age of 25, which may not fully represent the entire population of users for ecommerce platforms, leading to potential biases in the results.

- **Geographical Limitation:**

The survey is limited to respondents from Pune region which may not reflect the broader population's opinions and behavior. The preferences and behaviors

observed may not be applicable across all geographical areas where Flipkart, Amazon and other ecommerce site operate.

▪ **Limited Scope of Platforms:**

E-commerce is diverse, covering platforms ranging from large global players like Amazon to niche, localized websites. The study may only focus on a specific category or platform, limiting the ability to draw conclusions about the entire e-commerce landscape.

▪ **Complexity of Consumer Decision-Making:**

Consumer behavior in e-commerce is influenced by numerous factors, including personal preferences, marketing tactics, product availability, and social influences. Isolating and quantifying the exact impact of each variable in a research study can be challenging.

**CONCLUSION:**

This research examines the current state of e-commerce in India, focusing on consumer purchasing behaviour and its influence on mind-set. It explores how e-commerce has transformed shopping, with a particular emphasis on the role of digital marketing in engaging consumers, driving sales, and increasing brand awareness. The study also highlights the impact of digital marketing strategies on e-commerce platforms and identifies two key areas for future research to understand evolving trends, consumer behaviour shifts and the role of digital marketing in supporting sustainable growth in e-commerce.

Lastly, the study highlights two important future research avenues that should be explored further to understand the evolving dynamics of e-commerce and digital marketing in India. These areas focus on exploring emerging trends, consumer behaviour shifts, and how businesses can better harness digital marketing strategies for sustainable growth in the e-commerce sector.

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