Acceptability of Service Sector Based Indian Public Sector Undertakings in International Market

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Rukmini Devi Institute of Advanced Studies

E-mail : effulgence@rdias.ac.in, Website : www.rdias.ac.in

<http://effulgence.rdias.ac.in/user/default.aspx>

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Abstract

Public Sector Undertakings (PSUs) in India are the entities which have the status of being Government-owned companies. Internationalization of activities is unavoidable these days. Finding acceptability of Indian service sector based PSUs abroad, is a major planning task. There is dearth of earlier studies in this field. This paper analyzes and finds out the acceptability of service sector based Indian PSUs in various International markets and preferred entry modes and strategies adopted by them. This paper encompasses the boundary of entire International market. Responses to our questionnaire are collected from 120 experts dealing with service sector based Indian PSUs. This research study is exploratory in nature. The judgmental or purposive sampling method is used in the study. Data collected from various sources is interpreted and analyzed with the help of need based statistical techniques. Preferential mapping has also been used in the study to know the preferences of the respondents.

Keywords: PSU, Service sector, International business, Acceptability abroad, International markets, Entry methods, Promotional strategies, Operational strategies, Preferential mapping, Descriptive analysis.

INTRODUCTION

Public Sector Undertakings (PSUs) in India are the entities which have the status of being Government-owned companies. Internationalization of activities is unavoidable these days in order to sustain. There are number of decisions involved when a PSU decides to enter International market. Finding acceptability of Indian service sector based PSUs abroad, is a major planning task. Planning

about which market to enter, entry methods and strategies for International acceptability are the crucial decisions, which a PSU has to make while entering various international regions.

This research paper has four dimensions; first is International Business, second is Indian PSUs, third is service sector based firm and fourth is International acceptability in various International markets.

1. Chief Engineer, WAPCOS Ltd, New Delhi, A Central Govt. of India PSU, ankurpanwar@yahoo.com

2. Professor & Dean, School of Management Studies, Ansal University, Gurgaon, akmalhotra@ansaluniversity.edu.in

Corresponding Author

Ankur Panwar, Chief Engineer, WAPCOS Ltd, New Delhi, A Central Govt. of India PSU, ankurpanwar@yahoo.com

As per Wikipedia (2017), the term "international business" refers to all those business activities which involve cross-border transactions of goods, services, and resources between two or more nations.

As per Wikipedia (2016), the service sector, also called tertiary sector, is the third of the three traditional economic sectors. The other two are the primary sector, which covers areas such as farming, mining and fishing; and the secondary sector which covers manufacturing and making things.

As per Mckinsey quarterly (1992), Service-sector productivity largely determines a nation's ability to compete in today's global economy. An analysis of the comparative productivity levels of several leading countries provides insights into the factors that make a difference.

According to Department of Public Enterprise (2016), In accordance with the Companies Act, 2013, the PSUs mean any company in which not less than fifty one per cent of the paid-up share capital is held by the Government.

Joshi (2005) proposed that Factors of acceptability abroad are; Quality, Reliability, Price, Technology, Ethics, Work culture. Entry methods in International markets are; indirect export, Direct export, Licensing, Franchising, Joint venture, direct ownership. Promotional strategies in International business are; Better quality service, Improved brand image, Sponsor international events, Audio visual ads, Packaging, International visibility, Global pricing strategy. Operational strategies in International business are; Economies of scale, Uniform practices, Decentralized services, Global organization

Studies have been carried out in the field of International business and PSUs however, there is an absolute dearth of studies regarding finding out international acceptability of service sector based Indian PSUs.

In this research paper International acceptability of service sector based Indian PSUs, in various international regions e.g. Africa, Middle East, Western Europe, Central & Eastern Europe, Asia, Australia, North America, Latin America & the Caribbean has been found out and preferable entry methods & strategies have been worked out through primary & secondary data analysis.

LITERATURE REVIEW

As per Blomstermo, Sharma & Sallis 2005, there is a growing interest in researching the internationalization process of service firms (Aharoni, 1993; Aharoni and Nachum, 2000; Andersson, 2002; Bouquet et al; 2004; Li, 1995; Nachum, 1999; Ochel, 2002; Roberts, 1999).

Institute of Public Enterprise (2013) claimed that increasing competition in the global markets has driven more challenges and opportunities to both private and public sector companies world-wide. However, few businesses have recognized the full scope of performance improvements that globalization makes possible and developing sustainable strategies for capturing these opportunities appears to be still a far cry for public sector companies of developing countries. The public sector undertaking (PSU) companies need to grow from their base and explore global markets in the manufacturing, marketing, services, and consultation sectors. Opportunities in global markets are abundant; however, some firms look on to them with myopic vision while others develop a strategic vision to gain long term sustainable growth as well as competitive advantage. In this manner the firms compete under strategic interdependence. Companies from developing countries have entered the market expansion game too late and have failed in business operations due to various organizational, economic, and cross-cultural issues. The business related issues for PSU companies are to move global complying with the five stages of globalization spread over market entry, product specialization, economies of scale, value chain reengineering, and

the creation of new markets. Different levels of global market management are used for cutting costs and creating value that companies can use in each phase.

Peinado, Barber & Hébert (2007) claimed that despite the importance of the service sector in world markets and the growth of foreign investments in this area during the past decade, the research on services in an international context is still limited compared with research that focuses on the manufacturing sector.

Analyzing similarities and dissimilarities prevalent in countries given wisdom; selecting a country for business enkindles spirit and minimizing risks knocks the door of success. (Frediz79)

A business designs its competitive strategy to deliver advantages in the marketplace, but the market situation may evolve. Knowing which factors affect the strategy lets you monitor key variables and adjust your actions to take advantage of changes and opportunities. As markets shift under the influence of the actions of your competitors, you have to modify your strategy to continue delivering the competitive advantages you need to remain profitable. (Markgraf)

Social and cultural factors are important to consider while creating and implementing a marketing strategy of a company. These often-linked but somewhat different factors have diverse effects on the decisions of consumers and buyers. Basically, sociocultural factors are customs, lifestyles and values that characterize a society. More specifically, cultural aspects include aesthetics, education, language, law and politics, religion, social organizations, technology and material culture, values and attitudes. Social factors include reference groups, family, role and status in the society. (Kozenkow)

According to Perner, Promotional objectives involve the question of what the firm hopes to achieve with a

campaign—"increasing profits" is too vague an objective, since this has to be achieved through some intermediate outcome (such as increasing market share, which in turn is achieved by some change in consumers which causes them to buy more).

Dlabay (2006) suggested that a promotional mix is the combination of advertising, personal selling, publicity, and sales promotion used by an organization. Which of the four pro-motional elements should be used most often? Managers must consider a nation's cultural, legal, and economic environments when answering this question.

Boso et al. (2003) argued that among strategic resources, the lack of innovativeness has been regarded as a serious obstacle in a firm's export development process because engaging in export activities per se often has been described as an innovative process. Intense competition and dynamic forces (and, thus, uncertain customer needs and preferences) in foreign marketplaces require relatively high levels of innovativeness by the firm to achieve superior export performance.

Magnus, Katsikeas & Robson (2011) suggested that an adapted perspective on export promotional activities positively affects performance only in the case of firms with low international experience in terms of both duration and intensity. In "Export Promotion Strategy and Performance: on one hand, as a firm gains more experience over time, it is in a better position to understand local customer preferences and appreciate the aspects of a promotional program that can be standardized in a more cost-efficient way. On the other hand, greater intensity in export operations implies a wider, more in-depth knowledge of foreign markets, which encourages formalization through the adoption of more standardized promotional efforts. Notably, another dimension of international experience, the scope of exporting, was not found to have any moderating effect on the promotion/adaptation performance link. However, feedback from managers indicates that the wider the scope of

exporting, the higher the possibility of becoming experienced and familiar with customer preferences in culturally distant countries, which, in turn, may facilitate export promotion standardization.

As per Wikipedia (2017), Operations management for services has the functional responsibility for producing the services of an organization and providing them directly to its customers. It specifically deals with decisions required by operations managers for simultaneous production and consumption of an intangible product. These decisions concern the process, people, information and the system that produces and delivers the service. It differs from operations management in general, since the processes of service organizations differ from those of manufacturing organizations. The extent and variety of services industries in which operations managers make decisions provides the context for decision making.

Harvath & Partners (2017) proposed that Operational Excellence (OpEx) approach enables companies to achieve optimal performance in their operative processes (operations). The goal is to permanently improve the ability to create effective and efficient value creation chains which focus on the needs and desires of the customer. Operations Strategy deals with the strategic aspects of performing services and comprises topics concerning the fundamental production model with the associated elements of added value distribution, locations, production technologies, and IT environment. This underlying strategic framework (business model, product program, customer requirements, etc.) defines the scope of action for the organization and processes and for designing a suitable (production) performance management concept.

Kanungo argues that India's restrictive policy regime has been a push factor in driving Indian firms to invest abroad. It hints at the facilitating role of state policy to encourage the outflow of foreign direct investment. It reiterates that the competitive

advantage of Indian firms lies in its managerial and technical skills and explains that Indian companies would not have become international without such capacities or abilities. It concludes that overseas expansion and acquisition of Indian firms suffers from both positive and negative effects.

There have been studies carried out in the field of International Business, PSUs and service sector separately in the past however it is difficult to find a study combining working of service sector based Indian PSU and International Business. There is absolute dearth of any previous studies carried out in the field of finding international acceptability pertaining to service sector based Indian PSUs. A study is therefore required to analyze the factors of acceptability abroad for Indian service sector based PSUs in various International regions. Therefore this paper could be a primitive and original effort in this direction which will help in understanding the entire dynamics.

OBJECTIVE

To analyze and find out the acceptability of service sector based Indian PSUs in various International markets and preferred entry modes & strategies adopted by them.

RESEARCH METHODOLOGY

This research study is exploratory in nature. In this study besides Primary data and its analysis, lot of secondary data from journals, books, websites and experience based data/ information has been utilized extensively.

Sampling Frame

This paper encompasses the boundary of entire International market and effort has been made to cover all continent and prominent regions/ countries. Responses to our questionnaire have been collected from employees of service sector based Indian PSUs, employees of International

organizations and related experts in the field of international business.

Population: The population of the study includes all the PSUs operating in India.

Target Population: The target population includes the PSUs which are in service sector only.

Unit of study: The unit of study is of two types

- Indian PSUs in service sector (for secondary data)
- Executives associated with Indian Service sector PSUs and International business (for primary data study)

Sample Size: The sample size in the study is 120. The primary data is collected from the 120 executives who are directly or indirectly associated with the service sector based PSUs in India. The primary data is also cross-sectional in nature.

Sampling Technique: The judgemental or purposive sampling method is used in the study

Type of data and data collection

In the study primary as well as secondary data has been collected. The primary data has been collected with the help of self-designed questionnaire. The questionnaire is prepared with the help of academic guide as well as industry professionals working in service sector based Indian PSUs. In addition to this, the secondary sources e.g. the websites, reports and published information have also been used for gathering information. The Primary and secondary data have been collected during May' 2016- Sept' 2017.

Variables considered in the study

The following variable is considered in the study with respect to service sector based Indian PSUs

- Acceptability abroad

Data Analysis and Methods

Data has been analysed by deriving the references from various sources and deriving the conclusion out of it or by means of observing the response. The data collected from various sources is interpreted and analysed with the help of need based statistical techniques. Emphasis is given on the discovery of new ideas and insights into the proposed research topic.

The collected information has been suitably classified and tabulated with the help of statistical tools like trends, correlation, regression, etc. Details of statistical methods used are given as follows.

Frequency Distribution

Descriptive analysis: In the research study the primary data is collected from the executives associated with the service sector based Indian PSUs and experts involved in international business. The descriptive analysis of the responses obtained from them is done in the study. In descriptive analysis the measure of central tendency (mean, median), dispersion (standard deviation), minimum and maximum scores are estimated.

Preferential mapping:

The preferential mapping is a statistical method used to study the preferences of the respondents towards different available options on the basis of provided attributes. The preferential mapping can be done with the help of discriminant analysis. In the study the preferential mapping is used in following cases:

- To study the preferences of the respondents about the different regions in the world with respect to various parameters for acceptability of service sector based Indian PSUs abroad.
- To study the preferences of the respondents about the different methods of entering into international business with respect to various parameters for acceptability of service sector

based Indian PSUs abroad.

- To study the preferences of the respondents about the different Promotional strategies adopted by service sector Indian PSUs for the purpose of entering into international business with respect to various parameters for acceptability of service sector based Indian PSUs abroad.
- To study the preferences of the respondents about the different Operational strategies adopted by service sector Indian PSUs in international business with respect to various parameters for acceptability of service sector based Indian PSUs abroad.

Software Used

In the research study, MS Excel and SPSS 21 have been used for the purpose of data analysis.

Presentation of the Study

The study is based on the Primary and secondary data. The data collected from various sources has been analyzed critically.

ANALYSIS

Primary data collected from the executives/professionals associated directly or indirectly with the international business of the Indian PSUs has been analyzed for this paper. The responses from these professional have been collected with the help of self-designed questionnaire. The frequency

distribution, descriptive statistics are estimated in the study. The discriminant analysis has also been done in the study in order to study the perceptual mapping of the respondents.

Here the objective is to analyze the Acceptability of service sector based Indian PSUs abroad. In the study six possible factors which can influence acceptability of Indian PSUs in international market are listed below

- Quality
- Reliability
- Price
- Technology
- Ethics
- Work culture

These possible factors are mentioned in the questionnaire & the respondents are required to rate these factors against different parts of the world selected for international business by service sector based PSUs. The rating is provided by the respondents in the scale of 1-10 where 1 means the least important and 10 means extremely important. The preferential analysis is applied on the collected data and the results are discussed below.

Table 1 represents the statistical fitness of the preferential analysis done using discriminant analysis.

Table 1: Eigenvalues and canonical Correlation

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.291 ^a	74.9	74.9	.475
2	.075 ^a	19.2	94.1	.264
3	.011 ^a	2.8	96.9	.104
4	.007 ^a	1.7	98.6	.081
5	.004 ^a	1.1	99.6	.064
6	.001 ^a	.4	100.0	.038

a. First 6 canonical discriminant functions were used in the analysis.

As shown in the results, it is found that the Eigen value of first function is found to be 0.291 which explains 74.9 % of the variance of the responses. The second function has the Eigen value of 0.075 and explains 19.2 % of the variance. In total the two functions explain 94.1 % of the variance of the responses; hence the two functions can be used to analyze the preferential analysis using the discriminant analysis method. These two functions

are represented by X-axis and Y-axis respectively. The Canonical correlation of these two functions is found to be 0.475 and 0.264 respectively which indicates the correlation between expected and observed values of dependent variable i.e. countries/ regions in this case.

The Table 2 represents the results of poorness of fit of the analysis represented by Wilks' Lambda.

Table 2 : Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi -square	df	Sig.
1 through 6	.704	333.265	42	.000
2 through 6	.909	90.373	30	.000
3 through 6	.977	21.831	20	.350
4 through 6	.988	11.504	12	.486
5 through 6	.994	5.319	6	.504
6	.999	1.375	2	.503

The results indicate that the Wilks' Lambda of factors 1 & 2 is found to be 0.704 and 0.909. This represents the presence of enough variations in the responses.

As the two functions are represented by X-axis and Y-axis respectively, the coordinates of these two axis

are provided in Table 3, for all the factors considered in the study. For demonstration purpose, only first two functions are used in the study.

The results of Standardized canonical discriminant function coefficients are shown below in Table 3.

Table 3 : Standardized Canonical Discriminant Function Coefficients

	Function					
	1	2	3	4	5	6
F1_Quality	.239	-.572	-.983	.817	-.111	-.189
F1_Reliability	.521	-.755	.721	-.159	-.336	.574
F1_Price	-.118	.152	-.035	.584	.508	.625
F1_Technology	.399	.658	-.566	-.862	.269	.440
F1_Ethics	-.073	-.173	.361	-.135	1.049	-.751
F1_Work_culture	.080	.972	.565	.523	-.616	-.289

The results indicate that all the 6 functions on the basis of X & Y coordinates can be divided into 4 quadrants. The functions Technology and work culture fall in first quadrant as both X and Y coordinates are positive. The factor Price lies in the second quadrant as X coordinate is found to be negative and Y coordinate is positive. Ethics falls in

quadrant 3 followed by Quality and Reliability which lie in the quadrant 4. The preferential analysis also calculates the coordinates of different countries considered in the study. The results of the X and Y coordinates of all the countries are represented in table 4.

Table 4 : Functions at Group Centroids

F1_Country	Function					
	1	2	3	4	5	6
Africa	.680	.361	-.057	-.083	.006	.027
Middle East	.563	.097	-.125	.110	-.055	-.012
Western Europe	-.231	-.451	-.076	.081	.012	.021
Central and Eastern Europe	-.162	-.259	-.089	-.143	.006	-.051
Asia	.763	-.242	.205	.005	.026	-.004
Australia	-.570	.000	.047	-.049	-.069	.069
North America	-.565	.259	.099	.040	-.067	-.053
Latin America & the Caribbean	-.477	.240	-.004	.039	.141	.004

Unstandardized canonical discriminant functions evaluated at group means

The results indicate that the countries Africa and Middle East fall in the first quadrant followed by Australia, North America and Latin America & the Caribbean in quadrant 2, Western Europe, Central & eastern Europe in quadrant 3. Finally Asia falls in quadrant 4. Hence on the basis of Table 3 and 4, it

can be concluded that the Africa and Middle East are preferred due to Technology and work culture. Australia, North America and Latin America & the Caribbean are preferred for price and Western Europe, Central & Eastern Europe are preferred for Ethics. Asia is preferred for Quality and Reliability.

Table 5 : Region wise preference of factors of acceptability abroad

Region	Preference For the factors
Africa and Middle East	Technology and work culture
Australia, North America and Latin America & the Caribbean	price
Western Europe, Central & eastern Europe	Ethics
Asia	Quality and Reliability

Graph 1 : Region wise preference of factors of acceptability abroad

Frequency Distribution: Factors affecting acceptability of International business of service sector based Indian PSUs

When an Indian PSU tries to identify the acceptability of International business of service sector based Indian PSUs abroad, the outcome may be affected by various factors in the study. Six factors were identified to be included in the questionnaire

for study. The executives associated with the PSUs in India were asked to provide their responses against these selected factors in the scale of 1-5 where 1 means strongly disagree and 5 means strongly agree. The frequency distribution of the obtained responses is analyzed in the study. The analysis done on the basis of estimated frequency distribution is explained below

Table 6 : Frequency Distribution

Factors	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Quality	0 (0%)	1 (0.8%)	32 (26.7%)	73 (60.8%)	14 (11.7%)
Reliability	7 (5.8%)	0 (0%)	29 (24.2%)	48 (40%)	36 (30%)
Price	4 (3.3%)	0 (0%)	10 (8.3%)	63 (52.5%)	43 (35.8%)
Technology	0 (0%)	1 (0.8%)	16 (13.3%)	57 (47.5%)	46 (38.3%)
Ethics	0 (0%)	1 (0.8%)	17 (14.2%)	60 (50%)	42 (35%)
Work Culture	1 (0.8%)	1 (0.8%)	11 (9.2%)	70 (58.3%)	37 (30.8%)

The results of frequency distribution indicate that in case of Quality, 72.5 % of the respondents are found to be agree. 26.7 % have no firm view and only 0.6 % of the respondents are found to disagree, that Quality may not be the important factor. In the study it is observed that Quality is one of the important factor which influences the acceptability of Indian PSUs abroad. This is due to the reason that Indian PSUs are considered as providers of better quality service, and people rely on them.

In case of Reliability approximately 70 % of the respondents agree that Reliability is also an important factor for a PSU's acceptability abroad. As PSUs are Government organizations, it is obvious that they offer more reliability because sovereign support is there in operations. In this case 24.2 % of

the respondents were found undecided and 5.8 % were found to disagree with the statement that Reliability helps in acceptability in International business. International business takes place between two parties who are located far apart. In case previous experience of dealing with each other is not there then it is relatively difficult to trust a private party. However in case of PSUs when Government backing is there, it becomes a major factor as reliability factor increases manifold and this leads to wide acceptability of PSUs abroad.

In case of Price as a factor influencing the PSU acceptability in International market, 88.3% of the respondents were found agree, 8.3 % were undecided and 3.3 % were found to disagree. Most of the respondents believe that Price is a very

important factor for international acceptability. Price determines the demand in international market. In fact price coupled with good quality are essential to enhance the international demand of services. As such PSUs do not work for profit alone, sometimes they work for some national strategy and also work in those areas where a private firm with sole focus on profit would not like to venture. Also a PSU's pricing is moderate and they do not charge exceptionally high.

In case of Technology, 85.8 % of the respondents agree that Technology is one of the important factor for acceptability of PSUs in international market as high technology image of a country helps in selling a service abroad. However 13.3 % of the respondents were found undecided and 0.8 % disagree. If we compare, India is not considered as high in technology based products as Taiwan, therefore Taiwan based computer items are more in demand in international market but due to high profile image of expert IT engineers of India in service sector, very good international demand exists for Indian IT manpower/ engineers.

In case of Ethics which is assumed to be one of the important factor for any firm's operations in International market. It is observed that around 85 % of the respondents agreed with the statement however 14.2 % were undecided and 0.8 % were

disagreed. An unethical practices' adopting firm is not seen in international market with right perspective. PSUs are known for their ethical services as they just cannot indulge in any unethical practice due to sovereign governance. Also they do not have to indulge as profit is not the sole criteria of their operations.

Work Culture in correct scenario is one of the key factor to influence the acceptability of PSUs in international market. In case of Work Culture, 89.1 % of the respondents were found to agree that it is an important factor for a PSU's acceptability abroad. However 9.2 % were found undecided and only 1.6 % were found to disagree. If the impression of work culture of a PSU is lethargic or lack luster type then it affects acceptability of that PSU in International market. However if it is like go getter or professional type then PSU is well received abroad.

In addition to frequency distribution, the descriptive analysis of the responses is also estimated. The descriptive statistics includes the estimation of Mean score, Standard deviation, Skewness & Kurtosis. The purpose of descriptive analysis is to analyze the collected responses of the executives with respect to the average opinion, the variance in the responses and the distribution of the responses. The descriptive analysis of the responses is shown below in table

Table 7 : Descriptive Statistics

Factors	Mean	Std. Deviation	Skewness	Kurtosis
Quality	3.8333	.62622	-.073	-.047
Reliability	3.8833	1.03049	-1.074	1.292
Price	4.1750	.84677	-1.695	4.582
Technology	4.2333	.70691	-.512	-.318
Ethics	4.1917	.70169	-.434	-.330
Work Culture	4.1667	.73717	-1.683	7.749

The result of descriptive analysis indicates that all the factors for acceptability of Indian service sector PSUs are found to have the mean score more than 3.8 which indicates that all the considered factors are considered important for acceptability abroad. The

results also indicate that the skewness of all the factors is negative which means most of the respondents responded on the higher side (Agree & strongly agree) in the 5 point interval scale and the Kurtosis of the distribution of the responses is found

to be Leptokurtic which indicates the narrowed and focused responses received from the respondents.

The result of the descriptive statistics indicates that the factor technology is found to have the highest mean score of 4.23. This means high Technology image is found to be the most important factor for the acceptability in international market.

Following that is Ethics which is quite obvious factor for having good international image. If a firm has the image that they can do anything for profit, that does not go down so well in the mind of international clients. Following strict ethics is seen as a good trait. It is having the mean score of 4.19 with standard deviation of 0.70.

All other factors are also having high mean score.

Part of objective is to analyze the factors affecting Acceptability of Indian service sector based Indian PSUs vs. Entry modes.

These possible factors are mentioned in the questionnaire & the respondents are required to rate these factors against entry modes for international business by service sector based PSUs. The rating is provided by the respondents in the scale of 1-10 where 1 means the least important and 10 means extremely important. The preferential analysis is applied on the collected data and the results are discussed below.

Table 8 represents the statistical fitness of the preferential analysis done using discriminant analysis.

Table 8 : Eigenvalues and canonical Correlation

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.338 ^a	81.4	81.4	.503
2	.058 ^a	14.0	95.4	.235
3	.012 ^a	2.8	98.3	.108
4	.007 ^a	1.6	99.9	.081
5	.001 ^a	.1	100.0	.024

a. First 5 canonical discriminant functions were used in the analysis.

As shown in the results, it is found that the Eigen value of first function is found to be 0.338 which explains 81.4 % of the variance of the responses. The second function has the Eigen value of 0.058 and explains 14 % of the variance. In total the two functions explain 95.4 % of the variance of the responses, hence the two factors can be used to analyze the preferential analysis using the discriminant analysis method. These two factors are represented by X-axis and Y-axis respectively. The

Canonical correlation of these two factors is found to be 0.503 and 0.235 respectively which indicates the correlation between expected and observed values of dependent variable i.e. Entry modes in International markets in this case.

The Table 9 represents the results of poorness of fit of the analysis represented by Wilks' Lambda

Table 9 : Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1 through 5	.693	261.120	30	.000
2 through 5	.927	53.762	20	.000
3 through 5	.981	13.459	12	.337
4 through 5	.993	5.124	6	.528
5	.999	.400	2	.819

The results indicate that the Wilks' Lambda of function 1 & 2 is found to be 0.693 and 0.927. This represents the presence of enough variations in the responses.

As the two functions are represented by X-axis and Y-axis respectively, the coordinates of these two axis

are provided in Table 10 for all the factors considered in the study. For demonstration purpose, only first two factors are used in the study.

The results of Standardized canonical discriminant function coefficients are shown below in Table 10.

Table 10 : Standardized Canonical Discriminant Function Coefficients

	Function				
	1	2	3	4	5
F3_Quality	.114	.494	1.219	.238	-.083
F3_Reliability	.416	.787	-.623	.215	.056
F3_Price	-.164	-.133	.202	.575	.796
F3_Technology	.431	-.695	.062	-.790	.527
F3_Ethics	-.006	.323	-.275	-.433	.192
F3_Work_culture	.293	-.760	-.330	.774	-.663

The results indicate that all the 6 factors on the basis of X & Y coordinates can be divided into 4 quadrants. The factors Quality, Reliability fall in first quadrant as both X and Y coordinates are positive. The factor Ethics lies in the second quadrant as X coordinate is found to be negative and Y coordinate

is positive. Factor Price falls in quadrant 3, followed by Technology and work culture which lie in the quadrant 4. The preferential analysis also calculates the coordinates of different Entry modes considered in the study. The results of the X and Y coordinates of all the countries are represented in table 11.

Table 11 : Functions at Group Centroids

F3_Entry_modes	Function				
	1	2	3	4	5
Indirect Export	.613	-.322	-.011	-.052	.031
Direct Export	.445	-.092	.151	.069	-.030
Licensing	-.500	.260	.106	.040	.032
Franchising	-.392	.076	.017	-.157	-.020
Joint Venture	.634	.319	-.147	.027	-.005
Direct Ownership	-.795	-.244	-.117	.072	-.008

Unstandardized canonical discriminant functions evaluated at group means

The results indicate that the Entry mode Joint venture falls in the first quadrant followed by Licensing and Franchising in quadrant 2, direct ownership in quadrant 3. Finally Indirect and Direct export fall in quadrant 4. Hence on the basis of Table X and XI, it can be concluded that the Joint venture is

preferred due to Quality, Reliability. Licensing and Franchising are preferred for Ethics and direct ownership is preferred for Price. Indirect and Direct export are preferred for Technology and work culture.

Table 12 : Preference of factors of acceptability abroad vs. Entry modes

Entry modes	Preference For the factors
Joint venture	Quality, Reliability
Licensing and Franchising	Ethics
Direct ownership	Price
Indirect and Direct export	Technology and work culture

Graph 2 : Preference of factors of acceptability abroad vs. Entry modes

Part of objective is to analyze the International acceptability of service sector based Indian PSUs vs. Promotional strategies.

The possible factors of international acceptability are mentioned in the questionnaire & the respondents are required to rate these factors against Promotional strategies for international business by service sector based PSUs. The rating is provided by the

respondents in the scale of 1-10 where 1 means the least important and 10 means extremely important. The preferential analysis is applied on the collected data and the results are discussed below.

Table 13 represents the statistical fitness of the preferential analysis done using discriminant analysis.

Table 13 : Eigenvalues and canonical Correlation

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.309 ^a	53.7	53.7	.486
2	.140 ^a	24.4	78.0	.351
3	.069 ^a	12.0	90.0	.254
4	.036 ^a	6.2	96.2	.186
5	.022 ^a	3.8	100.0	.146
6	.000 ^a	.0	100.0	.002

a. First 6 canonical discriminant functions were used in the analysis.

As shown in the results, it is found that the Eigen value of first function is found to be 0.309 which explains 53.7 % of the variance of the responses. The second function has the Eigen value of 0.140 and explains 24.4 % of the variance. In total the two functions explain 78 % of the variance of the responses, hence the two factors can be used to analyze the preferential analysis using the discriminant analysis method. These two factors are

represented by X-axis and Y-axis respectively. The Canonical correlation of these two factors is found to be 0.486 and 0.351 respectively which indicates the correlation between expected and observed values of dependent variable i.e. promotional strategies in International business in this case.

The Table 14 represents the results of poorness of fit of the analysis represented by Wilks' Lambda

Table 14: Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1 through 6	.592	431.930	36	.000
2 through 6	.775	209.922	25	.000
3 through 6	.884	101.669	16	.000
4 through 6	.945	46.796	9	.000
5 through 6	.979	17.812	4	.001
6	1.000	.005	1	.945

The results indicate that the Wilks' Lambda of function 1 & 2 is found to be 0.592 and 0.775. This represents the presence of enough variations in the responses.

As the two functions are represented by X-axis and Y-axis respectively, the coordinates of these two axis

are provided in Table 15 for all the factors considered in the study. For demonstration purpose, only first two factors are used in the study.

The results of Standardized canonical discriminant function coefficients are shown below in Table 15.

Table 15: Standardized Canonical Discriminant Function Coefficients

	Function					
	1	2	3	4	5	6
F4_Quality	.755	.814	.482	-.383	-.511	-.278
F4_Reliability	.811	-.669	-.489	.326	.002	.185
F4_Price	-.005	.532	-.110	.111	.973	-.013
F4_Technology	-.601	-.123	-.250	.014	-.081	1.183
F4_Ethics	-.148	-.640	.623	-.767	.390	-.184
F4_Work_culture	-.223	.095	.555	1.006	-.183	-.121

The results indicate that all the 6 factors on the basis of X & Y coordinates can be divided into 4 quadrants. The factor Quality falls in first quadrant as both X and Y coordinates are positive. The factors Price and work culture lie in the second quadrant as X coordinate is found to be negative and Y coordinate is positive. The factors Technology and

Ethics falls in quadrant 3, followed by Reliability which lies in the quadrant 4. The preferential analysis also calculates the coordinates of different Promotional strategies considered in the study. The results of the X and Y coordinates of all the countries are represented in table 16.

Table 16: Functions at Group Centroids

F4_Promotional_strategies	Function					
	1	2	3	4	5	6
Better Quality Service	.828	.090	.303	-.278	.063	-.001
Improved Brand Image	.719	.374	-.139	.281	-.131	.000
Sponsor International Events	.135	-.462	-.082	.029	.060	.005
Audio Visual Ads	-.011	-.541	-.186	.079	.100	-.004
Packaging	-.438	.355	-.424	-.247	-.027	.000
International Visibility	-.577	-.205	.285	-.020	-.270	.000
Global Pricing Strategy	-.638	.387	.251	.155	.207	.000

Unstandardized canonical discriminant functions evaluated at group means

The results indicate that the Promotional strategies; Better quality service and Improved brand image fall in the first quadrant followed by Packaging and Global pricing strategy in quadrant 2, Audio visual ads and International visibility in quadrant 3. Finally Sponsor international events falls in quadrant 4. Hence on the basis of Table XV and XVI, it can be

concluded that the Better quality service and improved brand image are preferred due to Quality. Packaging and Global pricing strategy are preferred for Price and work culture. Audio visual ads and International visibility are preferred for Technology and Ethics. Sponsor international events is preferred for Reliability.

Table 17 : Preference of factors of acceptability abroad vs. Promotional strategies

Promotional Strategies	Preference For the factors
Better quality service and improved brand image	Quality
Packaging and Global pricing strategy	Price and work culture
Audio visual ads and International visibility	Technology and Ethics
Sponsor international events	Reliability

Graph 3 : Preference of factors of acceptability abroad vs. Promotional strategies

Part of objective is to analyze the factors affecting International acceptability vs. Operational strategies.

The possible factors of acceptability abroad are mentioned in the questionnaire & the respondents are required to rate these factors against Operational strategies for international business by service sector based PSUs. The rating is provided by the

respondents in the scale of 1-10 where 1 means the least important and 10 means extremely important. The preferential analysis is applied on the collected data and the results are discussed below.

The Table 18 represents the statistical fitness of the preferential analysis done using discriminant analysis.

Table 18: Eigenvalues and canonical Correlation

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.058 ^a	85.4	85.4	.235
2	.006 ^a	9.1	94.5	.079
3	.004 ^a	5.5	100.0	.061

a. First 3 canonical discriminant functions were used in the analysis.

As shown in the results, it is found that the Eigen value of first function is found to be 0.058 which explains 85.4 % of the variance of the responses. The second function has the Eigen value of 0.006 and explains 9.1 % of the variance. In total the two functions explain 94.5 % of the variance of the responses, hence the two factors can be used to analyze the preferential analysis using the discriminant analysis method. These two factors are

represented by X-axis and Y-axis respectively. The Canonical correlation of these two factors is found to be 0.235 and 0.079 respectively which indicates the correlation between expected and observed values of dependent variable i.e. operational strategies in International business in this case.

Table 19 represents the results of poorness of fit of the analysis represented by Wilks' Lambda

Table 19 : Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1 through 3	.935	31.539	18	.025
2 through 3	.990	4.721	10	.909
3	.996	1.775	4	.777

The results indicate that the Wilks' Lambda of function 1 & 2 is found to be 0.935 and 0.990. This represents the presence of enough variations in the responses.

are provided in Table 20 for all the factors considered in the study. For demonstration purpose, only first two factors are used in the study.

As the two functions are represented by X-axis and Y-axis respectively, the coordinates of these two axis

The results of Standardized canonical discriminant function coefficients are shown below in Table XX.

Table 20 : Standardized Canonical Discriminant Function Coefficients

	Function		
	1	2	3
F5_Quality	.910	.222	-.161
F5_Reliability	-.058	-.149	.965
F5_Price	-.593	.558	.049
F5_Technology	-.462	.543	.003
F5_Ethics	.346	.509	.041
F5_Work_culture	-.064	-.042	-.605

The results indicate that all the six factors on the basis of X & Y coordinates can be divided into 4 quadrants. The factors Quality and ethics fall in first quadrant as both X and Y coordinates are positive. The factors Price and Technology lie in the second quadrant as X coordinate is found to be negative and Y coordinate is positive. The factors Reliability and

work culture fall in quadrant 3, followed by none in the quadrant 4. The preferential analysis also calculates the coordinates of different Operational strategies considered in the study. The results of the X and Y coordinates of all the countries are represented in table 21.

Table 21 : Functions at Group Centroids

F5_Operational_strategies	Function		
	1	2	3
Economies of Scale	-.416	2.131E-006	-.012
Uniform Practices	.171	.083	-.072
Decentralized Services	.145	-.126	-.014
Global Organization	.096	.043	.097

Unstandardized canonical discriminant functions evaluated at group means

The results indicate that the Uniform practices and Global organization fall in the first quadrant followed by Economies of scale in quadrant 2. None in quadrant 3. Finally Decentralized services falls in quadrant 4. Hence on the basis of Table 20 and 21, it

can be concluded that the Uniform practices and Global organization are preferred due to Quality and ethics. Economies of scale for Price and Technology. None are preferred for Reliability and work culture. Decentralized services is preferred for none.

Table 22 : Preference of factors of acceptability abroad vs. Operational strategies

Operational Strategies	Preference For the factors
Uniform practices and Global organization	Quality and ethics
Economies of scale	Price and Technology
-	Reliability and work culture
Decentralized services	-

Graph 4 : Preference of factors of acceptability abroad vs. Operational strategies

FINDINGS

- Western Europe, Central & Eastern Europe are preferred for acceptability factors like Ethics. Asia is preferred for acceptability factors like Quality and Reliability.
- Work culture of a PSU is the most important factor for international acceptability. If the impression of work culture of a PSU is lethargic or lack lustre type then it affects acceptability of that PSU in International market. However if it is like go getter or professional type then PSU is well received abroad.
- Price is a second most important factor for international acceptability. Price determines the demand in international market. In fact, price coupled with good quality are essential to enhance the international demand of services. As such PSUs do not work for profit alone, sometimes they work for some national strategy and also work in those areas where a private firm with sole focus on profit would not like to venture. Also a PSU's pricing is moderate and they do not charge exceptionally high.
- Technology is one of the closely following factor for acceptability of PSU in international market as high technology image of a country helps in selling a service abroad. If we compare, India is not considered as high in technology based products as Taiwan, therefore Taiwan based computer items are more in demand in international market but due to high profile image of expert IT engineers of India, in service sector very good international demand exists for Indian IT manpower/ engineers.
- Quality is one of the important factor which influences the acceptability of Indian PSUs abroad. This is due to the reason that Indian PSUs are considered as providers of better quality service, and people rely on them.
- As PSUs are Government organizations, it is obvious that they offer more reliability because sovereign support is there in operations. International business takes place between two parties who are located far apart and who do not

have much prior experience with each other. In case previous experience of dealing with each other is not there then it is relatively difficult to trust a private party. However in case of PSUs when Government backing is there, it becomes a major factor, as reliability factor increases manifold and this leads to wide acceptability of PSUs abroad. So reliability becomes a major factor in favour of PSU's acceptance.

- An unethical practices adopting firm is not seen in international market with right perspective. If a firm has the image that they can do anything for profit, that does not go down so well in the mind of international clients. PSUs are known for their ethical services as they just cannot indulge in any unethical practice due to sovereign governance. Also they do not have to indulge as profit is not the sole criteria of their operations.
- Out of entry modes, Joint venture is preferred for acceptability factors like Quality, Reliability. Licensing and Franchising are preferred for Ethics. Direct ownership is preferred for Price. Indirect and Direct export are preferred for Technology and work culture.
- Out of Promotional strategies, better quality service and improved brand image are preferred for acceptability factors like Quality, which exactly matches also. Packaging and Global pricing strategy are preferred for Price and work culture. Audio visual ads and International visibility are preferred for Technology and Ethics.
- Out of operational strategies, Uniform practices and Global organization are preferred for acceptability factors like Quality and ethics. Economies of scale for Price and Technology.

CONCLUSION

International business can be very lucrative, if everything is planned meticulously and a good business model is developed in advance. However there is a major paucity in awareness of policies and culture of a foreign country initially. Therefore based

on analysis carried out here, Indian PSUs need to enter International market through nice planning and proactively evaluating acceptability of service sector based PSUs abroad, to generate confidence.

As per the analysis carried out here, Western Europe, Central & Eastern Europe are preferred for acceptability factors like Ethics. Asia is preferred for acceptability factors like Quality and Reliability. Work culture of a PSU is the most important factor for international acceptability. Price is a second most important factor for international acceptability. Technology is also one of the closely following factor for acceptability of PSU in international market. Besides above, Reliability and ethics of a PSUs (due to sovereign support) are the difference making factors for acceptability in International market.

Out of entry modes, Joint venture is preferred for acceptability factors like Quality, Reliability. Licensing and Franchising are preferred for Ethics. Direct ownership is preferred for Price. Indirect and Direct export are preferred for Technology and work culture. Out of Promotional strategies, better quality service and improved brand image are preferred for acceptability factor like Quality, which exactly matches also. Packaging and Global pricing strategy are preferred for Price and work culture. Audio visual ads and International visibility are preferred for Technology and Ethics. Out of operational strategies, Uniform practices and Global organization are preferred for acceptability factors like Quality and ethics. Economies of scale for Price and Technology.

An effort has been made here to cover all possible concepts and boundaries, the paper is however mere origin of an idea due to limited data base and very broad area of study. Subject needs to be studied/ explored further. Considering the facts and findings, a design of an extensive research can be developed with a bigger data base to make it even more useful.

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