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# A Study on Factors Influencing Company's Profitability with Reference to Cycle world

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**ABSTRACT:** This study is aimed at exploring the factors influencing a company's profitability. It will investigate how various aspects, such as market conditions, economic conditions, management decisions, financial decisions, and technology, can affect a company's profitability. It will also analyze how the external environment can influence the success of a company. The study will use quantitative and qualitative methods to collect data, including interviews with company executives, financial analysis of company performance, and an analysis of the industry environment. Results of the study are expected to provide insights for companies on how to better manage their profitability.

## I. INTRODUCTION

The cycle industry is a global sector that includes the production, distribution, and sale of bicycles and related accessories. Bicycles have been around for over 200 years and have evolved significantly over time, from the early wooden bicycles to the modern high-tech machines of today. The industry is driven by a range of factors, including transportation needs, environmental concerns, health and fitness trends, and recreational activities. Bicycles are used for a variety of purposes, from daily commuting and transportation to recreational activities and competitive sports

## II. STATEMENT OF THE PROBLEM

The purpose of a study on factors influencing a company's profitability is to identify the key factors that contribute to a company's profitability, and to identify strategies to improve profitability by addressing those factors. The study could look at both internal and external factors, such as costs, prices, competition, market conditions, and other economic forces, as well as company-specific factors such as management, operations, and marketing.

## III. OBJECTIVES OF THE STUDY

- To identify the key factors impacting company profitability.
- To evaluate the impact of changes in the economic environment on company profitability.
- To analyse the impact of marketing and pricing strategies on company profitability.
- To suggest ways to increase company's profitability

## IV. SCOPE OF THE STUDY

- The analysis of company's strategic decisions and their impact on profitability can be used to increase the company's profit.
- The analysis of the company's marketing and sales strategies and their influence on profitability can be used to increase the company's profit.
- The analysis of the company's product mix and its effect on profitability can be used to increase the company's profit.
- The analysis of the company's technology and its effect on profitability can be used to increase the company's profit



## V. LIMITATIONS OF THE STUDY

- Lack of control over search engine algorithms: Search engine algorithms are constantly changing, and as a result, the impact of search engine marketing on a website can be unpredictable and hard to measure.
- The data used in the study may be limited to secondary sources such as previous published reports, surveys, and other published materials.
- The study may not have access to the financial information of the companies, which may limit its ability to accurately assess the impact of certain factors on profitability.
- The study may also be limited in its ability to accurately assess the impact of certain strategies on profitability due to the lack of data on implementation and performance of the strategies

## VI. LITERATURE REVIEW

**Camelia Burja (2021)** The information about company performance, especially about its profitability, is useful in substantiating managerial decisions regarding potential changes in the economic resources that the company will be able to control in the future. This objective aims achieving superior economic results that will increase the company's competitiveness and will satisfy the shareholders' interests. The paper presents some company performance analysis models, which highlight the influencing factors. The models are based on regression analysis, and the obtained results emphasize the strong connection between the profitability of the analysed company expresses through Return on assets and the management of available resources.

**Daiva Tamuleviciene (2016)** Profitability is one of the most important companies' activity indicators. In the article, all profitability ratios are divided into three groups: sales, assets and equity. The importance of their analysis is underlined. In the financial analysis literature, the most common calculations of various financial indicators provided lack attention of their analysis. The complex analysis methodology recommended in the article comprises. Determination of analysis aims. Choice of analysis sources and technical methods. Calculation and evaluation profitability of sales (gross and net), profitability of assets (total assets, fixed and current assets), profitability of equity (authorized capital, shareholders' equity and capital employed). Determination of factors influencing profitability. Usage of information collected during the analysis for internal and external users' purposes. The recommended complex analysis methodology can be successfully applied to companies of various size and activity.

**Bishnu Prasad Bhattarai (2020)** The main purpose of the study to examine the variables that influencing profitability of Nepalese insurance companies. The study base on 10 insurance companies panel data for 2012/13 to 2017/18 over five-year period and leading to 50 observations. The study has been taken Return on Equity (ROE) as profitability measures and as dependent variables. The study also has been employees Expenses Ratio (ER), Financial Leverage (FL) and Size of Company (LnTA) factors as independent variables. The data has been processing with the help of SPSS 25 Software. The results reveal that expenses ratio other independent variables have positive relationship found. The results of study concluded that the financial leverage and size have major determinants of the profitability in Nepalese insurance companies.

## VII. RESEARCH METHODOLOGY

The process used to collect information and data for the purpose of making business decisions. The methodology may include publications research, interviews, surveys and other Research Techniques and could include both historical and present information.

### 7.1 RESEARCH DESIGN

Research design refers to the overall strategy that we choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring that we will effectively address the Research Problem. It constitutes the blueprint for the collection, measurement and analysis of data.

### 7.2 TYPES OF RESEARCH

The research type used in this study is Descriptive, which is used to describe characteristics of a population or phenomenon being studied.



**7.3 SAMPLE DESIGN:**

Sampling is the process of selecting a sufficient number of elements from the population. A Sample Design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population is drawn

**VIII. DATA COLLECTION**

Data Collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research question, test hypotheses and evaluate outcomes.

**Primary Data Source:**

A Primary Data Source provides direct and evidence about an object, person or work of art. It includes Historical & Legal Documents, Eyewitness Accounts, Results of Experiments, Statistical Data, Audio and Video Recordings, etc. Using Questionnaire, which is a set of printed or written questions with a choice of answers, devised for the purpose of a survey Type equation hereor statistical study, We Collected the Data.

**Secondary Data Source:**

The data that was originally collected for other research are called Secondary Data Sources. We Referred Articles, Journals & Magazines as mentioned in the Bibliography.

**8.1 SIZE OF THE SAMPLE:**

The sample size is 100

**IX. TOOLS USED:**

Simple percentage analysis is the method to represent raw streams of data as a percentage (a part in 100-precent) for better understanding of collected data.

**FORMULA**

**Number of respondent's**

$$\frac{\text{-----}}{\text{percentage analysis}} \times 100 \text{ Total number of respondents}$$

**9.1 RANKING METHOD:**

Ranking is a method of numbering of attributes from highest total score to lowest total score.



X. ANALYSIS OF INTERPRETATION

Table 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

DEMOGRAPICPROFILEOFRESPONDANTS	NOOFRESPONDENT	PERCENTAGE	
<b>AGE</b>	20-30years	83	83.0
	31-40years	17	17.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>Gender</b>	Female	41	41.0
	male	59	59.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>Maritalstatus</b>	married	25	25.0
	unmarried	75	75.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>
<b>Income level</b>	10,001-15000	59	59.0
	15001-20,000	19	19.0
	20001-25000	5	5.0
	Above 25000	5	5.0
	Below 10,000	12	12.0
	<b>Total</b>	<b>120</b>	<b>100.0</b>
<b>Respondent property type</b>	Diploma	2	2.0
	Graduate	65	65.0
	Post Graduate	28	28.0
	Schooling	5	5.0
	<b>Total</b>	<b>100</b>	<b>100.0</b>

INTERPRETATION:

65% of the respondents had a graduate degree, 28% had a postgraduate degree, 5% had only completed their schooling, while only 1% had a diploma or a doctorate degree.



TABLE NO: 2 Chi-Square Tests 8. Income level of respondent \* 18. Do you agree that property management services can save property owners time and effort?

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	16.018 <sup>a</sup>	16	.452
Likelihood Ratio	10.403	16	.845
N of Valid Cases	100		

The table value is 26.296 and the calculated value is 16.693.

**INTERPRETATION:**

Based on the given data, the Pearson Chi-Square value is 16.018 with 16 degrees of freedom and the p-value is 0.452. Since the p-value is greater than the level of significance (0.05), we fail to reject the null hypothesis. Therefore, there is no significant relationship between income per month of the respondent and their opinion on whether the money the company takes in from the sale of goods and services impacts the company's profit.

**FINDINGS**

- 83% of the respondents were between 20 and 30 years old, while 17% were between 31 and 40 years old.
- 41% of the respondents were female, while 59% were male.
- 25% of the respondents were married, while 75% were unmarried.
- 59% reported earning between 10,001 and 15,000 per month, 19% reported earning between 15,001 and 20,000, 5% reported earning between 20,001 and 25,000, 5% reported earnings above 25,000, and 12% reported earnings below 10,000.
- 56% of the respondents had 1-4 years of experience, 40% had less than one year of experience, while only 2% had between 5-8 years of experience, and 1% had between 9- 12 years of experience or above 12 years of experience.
- 65% of the respondents had a graduate degree, 28% had a postgraduate degree, 5% had only completed their schooling, while only 1% had a diploma or a doctorate degree.
- 28% of the respondents were highly satisfied with their company's current profitability, while 60% reported being satisfied. 10% reported feeling neutral, and only 1% were highly not satisfied or not satisfied.
- 53% of the respondents agreed that the money the company takes in from the sale of goods and services impacts the company's profit, while 33% strongly agreed, 11% were neutral, and 1% disagreed or strongly disagreed.
- 50% of the respondents agreed that the costs associated with running the business impact the company's profit, while 39% strongly agreed, 8% were neutral, and 2% disagreed or strongly disagreed.
- The majority (53%) of respondents agree that the amount of taxes a company pays each year can have a significant impact on its profit, while a small percentage (1%) disagree and 7% remain neutral.



## XI. SUGGESTIONS

- Identify areas of inefficiency in your business processes and implement solutions to streamline them. This could involve automating tasks, reducing waste, or reorganizing workflows.
- Develop strategies to attract new customers and expand your reach. This could involve targeting new demographics or developing new products and services.
- Analyse your pricing structure and adjust it to ensure you are charging the right amount for your products or services. This could involve increasing prices for premium offerings or lowering prices for entry-level products.
- Implement strategies to retain existing customers, such as loyalty programs, special offers, or personalized marketing.
- Identify which products or services generate the highest profit margins and focus on promoting and selling those offerings.
- Identify areas where costs can be reduced without impacting the quality of your products or services. This could involve negotiating better deals with suppliers, reducing staff overtime, or reducing energy consumption.
- Implement new technology solutions to improve productivity, streamline processes, and reduce costs. This could involve investing in new software or hardware solutions, or implementing new automation tools.

## XII. CONCLUSION

In conclusion, the cycle industry in Bangalore is a rapidly growing sector with many companies competing for market share. While the industry faces some challenges such as changing consumer preferences and increasing competition, the growth potential is significant. Our study focused on the factors influencing company profitability within the industry, and we have identified some of the top profitable companies in Bangalore. We also discussed the importance of profitability in terms of financial stability, attracting investors, employee satisfaction, better customer service, and social responsibility. Finally, we provided ten suggestions to improve company profitability, which can be tailored to suit individual businesses' needs and goals.

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