

A Study on the Marketing Strategies for Home Appliances in Supermarkets: A Case Study of Coimbatore City (Tamil Nadu)

S. Sri Ranjini and S. Sangeetha

Department of Management and Commerce, Amrita School of Arts and Sciences,
Amrita Vishwa Vidyapeetham Amrita University, Mysuru Campus, Coimbatore, Tamil Nadu, India

Abstract: Marketing strategies are the summation of all those activities which are intended for achieving an organization's marketing goals. Marketing strategies are the game plan which the firm adheres to in order to surpass the competitors or to accomplish the desired objectives of the firm. Marketing strategies establish the kind of actions an organization will be engaged in the vicinity of marketing field and the objectives for each of such behaviors. Marketing strategies also include the formulation of marketing programs and their accomplishment. This research paper concentrates specially in understanding the marketing strategies for Home Appliances in the city of Coimbatore, Tamil Nadu, India. Home appliances are electrical/mechanical devices which accomplish several household functions such as cooking or cleaning, etc. The study deals with the current marketing strategies adopted by the supermarkets to sell Home Appliances in Coimbatore City, a major urban hub in the State of Tamil Nadu, India. It includes pricing, placing and product strategies and also marketing communication and sales promotion issues. People devour things of daily use and buy these according to their requirements, preferences and buying capability or power. The objectives of the study are to study the purchase decision behavior relating to home appliances and to analyze the customer response to the marketing strategy of home appliances in the super markets. The findings of the study includes that education and income of the respondents are the two socio economic factors which have significant relationship in all the stages which the buyer undergoes while purchasing the home appliances. The study was carried on with sample size of 150 respondents selected and by using the correlation method in statistics. The time period for this research is 01/01/2015 to 31/12/2015.

Key words: Home appliances, supermarkets, marketing strategies, purchase, decisions

INTRODUCTION

The ability of action planning to accomplish a precise goal is called strategizing and the action plan is called strategy. "A marketing strategy articulates the best use of the firm's capital and tactics to realize its marketing objectives. It should also match the customers' aspiration for price with the organization's unique capabilities. Internal capabilities should be used to maximize external opportunities. The planning process should be guided by a marketing oriented culture and processes in the organization. When properly implemented, a good marketing strategy also enables a company to achieve its business unit and corporate objectives. Although, corporate and business units, all have common characteristics to some extent, the marketing strategy is the most detailed and specific of the two." Marketing strategy is the analysis, development and implementation of the selected target market strategies for product

strategies that have been formulated to meet the marketing objectives and customer needs. It focuses on the performance of a product/service in the target market and combines the customer- influencing strategies with market focused activities to gain a competitive advantage in the industry.

People need food, air, water, clothing and shelter to survive. They have also a strong yearning for education, housing, comfort and other services. People satisfy their needs and wants with goods. They have strong preferences for particular versions and brands of basic goods and services. They can obtain products in many ways. Exchange is considered to be the most important method of obtaining the necessary products. It is the concept of exchange which leads to the concept of marketing. Marketing Management is the process involving analysis, planning, implementation and control, of goods, services and ideas. It rests on the motion of exchange (either in cash or kind) and the goal is to

produce contentment for the parties involved. Marketing Management is the task of influencing the level, timing and composition of demand in such ways that will help the organization achieve its objectives. Today's markets are changing at an incredible tempo. In addition to globalization and technological change, there have been new features such as a power shift from manufacturers to giant retailers, a rapid growth and acceptance of store brands, new retail form, growing consumer price and value sensitivity, a diminishing role for mass marketing and advertising and a disconcerting erosion of brand loyalty. These changes throw organizations into a state of confusion regarding marketing strategies.

The concept of home appliances: Home appliances are electrical/mechanical devices which carry out some household functions such as cooking, cleaning etc. Home appliances can be classified into:

- Major appliances or white goods
- Small appliances
- Consumer electronics or brown goods

Major appliances, also known as white goods, comprises of major household appliances and may include: air conditioners, dishwashers, clothes dryers, drying cabinets, freezers, refrigerators, kitchen stoves, water heaters, washing machines, trash compactors, microwave ovens and induction cookers, etc. White goods were typically painted or enameled white and many of them still are.

Small appliances are typically small household electrical equipments, easily carried and installed. Some are classified with white goods and relate to heating and cooling such as: fans and window mounted air conditioners and heaters such as space heaters, ceramic heaters, gas heaters, kerosene heaters and fan heaters. Yet another category is used in the kitchen, including: juicers, electric mixers, meat grinders, coffee grinders, deep fryers, herb grinders, food processors, electric kettles, waffle irons, coffee makers, blenders and dough blenders, rice cookers toasters and exhaust hoods.

Entertainment and information appliances such as: home electronics, TV sets, CD and DVD players, camcorders, still cameras, clocks, alarm clocks, video game consoles, WiFi and home theaters, telephones and answering machines are classified as "brown goods". Some such appliances were traditionally finished with genuine or imitation wood. This has become rare but the name has stuck, even for goods that are unlikely ever to have had a wooden case (e.g., camcorders). (<https://en.wikipedia.org/wiki/>).

Home appliance industry in India: India is expected to become the fifth largest home appliance or consumer durable market in the world by 2025. The consumer electronics market is expected to increase to USD 400 billion by 2020. The production is expected to reach USD 104 billion by 2016. The sector is expected to double at 14.7 per cent Compound Annual Growth Rate (CAGR) to USD 12.5 billion in FY15 from USD 6.3 billion in FY10. Urban markets account for the major share (65%) of total revenues in the consumer durables sector in the country. Demand in urban markets is expected to increase for non-essential products such as LED TVs, laptops, split ACs and beauty and wellness products. In rural markets, durables like refrigerators as well as consumer electronic goods are likely to witness growing demand in the coming years as the government plans to invest significantly in rural electrification (<http://www.asa.in>: A Brief Report on Consumer Durables Industry in India, ASA and Associates LLP, July, 2015).

Home appliances industry in India is one of the fast growing and competition oriented industries of the country. The growth of this industry is one of the most diverse features of Indian economy. In the recent years primarily due to increasing working population and more disposal income at the hands of the people and their craving for luxury items have helped the growth of the super markets. In the modern times when the life of the people becomes mechanical, they find more usefulness of home appliances. Even though, the consumers of home appliances are mostly women, the purchase decisions and brand preferences are done by both men and women together. Unlike in the past, the consumers of this industry are more educated and enlightened today. The up coming trends reveal that the consumers are becoming well informed and therefore ask for greater assured performance from brands. This has shown the way to the change in the marketing approach of the growth conscious companies. There has been a shift from the seller's market to the buyer's market. The growing competition in the industry has brought the companies under pressure to win customers and this has made the consumers more empowered. The importance traditionally was on making sales rather than building relationships with customers; on reselling rather than being considerate for after sale services. But now every company in the home appliances industry is judicious enough to evaluate customer satisfaction regularly because key to customer retention is customer satisfaction. A highly satisfied customer will be loyal for the company and buys more when the company introduces new products, pays less attention to the competing brands and is less sensitive to price, offers products or service ideas of the company and

costs less to serve, than any new customers because transactions are routine. On an average, a satisfied customer tells three people about a good product experience, but an average dissatisfied customer bad mouths the same to 11 people. If each of them tells other people, the number exposed to bad word of mouth may grow exponentially. If a company wants to adapt to the empowered consumer, it is a must to understand the importance of satisfying and retaining customers and should design its strategies in such a way that will encourage consumers to purchase and to motivate its dealers to sell more through appropriate plans in this regard.

Objectives:

- To study the different marketing strategies adopted by the supermarkets for the sale of home appliances
- To analyze the effectiveness of the adopted marketing strategies
- To elicit customer's responses to the marketing strategy of home appliances

Need for the study: The last few years have witnessed growing demands for different consumer products. Increase in demand is a result of increase in income of the people and increase in discretionary or disposable income too. A rise in disposable income results usually in an increased spending by consumer on those items that raise their living standards. Moreover, a trend for people to utilize their income for more comforts and facilities is also developing. Intense competition among the marketers of consumer durables and the increasing awareness of consumers about their own needs is making a major difference in marketing of consumer durables. In the context of the above scenario, it is interesting to study how the consumers satisfy their different non-basic needs. Moreover, it is interesting to study, why they buy a particular product, how they buy it, when they buy it, from where do they buy it and how they respond to the marketing strategy.

Literature review: The review of literature shows that several studies have already been conducted on many aspects of marketing of consumer durable goods. Although, the research provides valuable inputs in terms of consumption pattern, determinants of consumer choice, consumer decision making, post purchase behavior, etc. in different consumer durables market including home appliances market. Not much research has been done on the super markets of Coimbatore City as far as the research study by the researchers. So, the present study

titled "Marketing Strategies for Home Appliances in Coimbatore" is a genuine attempt to bridge this gap in the field of marketing research.

Studies on effect of marketing strategies: Hauser and Wisniewski (1982) developed a methodology for modeling consumer response that integrates previous research in stochastic brand selection, diffusion of innovation, test market analysis and new product design. The methodology makes it practical to extend brand selection models to include diffusion phenomena such as awareness, trial and information flow. Purchase timing and brand selection are interdependent and both phenomena depend jointly on managerial controls such as advertising, coupons, price-off promotion, product positioning and consumer characteristics.

To make a decision, the needs of an individual have to be met. The individual will be the consumer with the need for a product. In the normative model of decision making, the customer collects information about alternatives, evaluates them based on their features and makes a decision that will maximize the value of that decision.

Hendel and Lizzeri (1999), in their study on consumer durable goods they found that manufacturers may gain from adverse selection by the consumers. They also gave an example in which the mark location under adverse selection is socially optimal. "An extension of the model to a world with many brands that differ in reliability leads to testable" predictions of the effects of adverse selection. They showed that unreliable brands have steeper" price declines and lower volumes of trade.

Dilip Roy and Saikat Banerjee found the causes behind the purchase decision on consumer durables are price, guarantee, after sales services, colour and design, previous experience of usage, recommendations by dealers, advertisement and sales promotion. The branded players are enjoying different brand equity under different parameters. Price-wise, non-branded or other small players are enjoying a competitive edge over branded players. Dealers are interested in pushing non-branded products due to higher margins offered by them.

Hitendra Bargal in their study pointed out that taken the literacy scenario into consideration the promotion of brands in rural markets requires the special measures. Due to the social and backward condition the personal selling efforts have a challenging role to play in this regard. The word of mouth is an important message carrier in rural areas. In fact the opinion leaders are the most influencing part of the promotion strategy of rural promotion efforts. Relevance of mass media is also a very important factor. Now the cable and other channels have also penetrated in

rural households. The newspaper and other printed media is also gaining importance but their role is still secondary in this regard.

House and Ozdenoren (2008) in their research article on consumer goods stated that a consumer's demand for a durable good is governed not only by his individual preferences but by preferences of other market participants. This interdependence of preferences arises from inevitable resale of durable goods. If most people prefer goods with certain features, original buyers conform and choose goods with these features even if they do not like them. Using a matching model, they showed that there is always conformity in equilibrium. The incentive to conform is strongest for long-lived durables and for people who trade frequently. If average preferences are sufficiently strong, there is always too little conformity in equilibrium.

Rupali Mukherjee and Samidha Sharma says that consumers may have to shell out more on electronics, appliances and fast moving goods. It looks almost certain that excise will be hiked in the auto sector. The consumer durable industry is growing at strong double digit in 2010. Consumer goods including durable firms have implemented price hikes across the board over the last few months.

MATERIALS AND METHODS

The study is a search into the application of marketing strategies to home appliances in the market of Coimbatore. The generally accepted principles and practices of marketing are applied in the study to ascertain the marketing strategies adopted for Home Appliances. This descriptive research design was used to gain a knowledge regarding the service offered by supermarkets. The primary research was done through field survey to collect data (quantitative research) by random sampling technique and through closed ended questionnaire which consists of both closed and open ended questions were asked to the respondents (Janaki and Santhi, 2013).

Data collection method: The following procedure has been adopted:

- First: an interview schedule was developed before its application among respondents
- Secondly: an interview schedule was developed before its application among respondents
- Thirdly: presenting the questionnaire was carried out by pilot survey
- Fourthly: primary data were collected from 150 customers visiting the showroom

Primary data were collected from 150 customers of the showroom, for the collection of primary data, an interview schedule was developed before its application among respondents presetting was carried out after allowing the structured questionnaire on the results of presenting it was a sample to customer survey. The secondary data were collected from newspaper, website, office records and research journals

Tools used for data analysis:

- Data collected was analyzed, tabulated and percentages were calculated using tables and bar graphs for the purpose of easy understanding using statistical tools
- Sampling method: convenient sampling method
- Sampling units: customer
- Sampling size: number of respondents is 150
- Research method: personal interview, observation method
- Research instruments: structured questionnaire is used as an instrument to collect valid primary data
- Statistical tool: correlation method

RESULTS AND DISCUSSION

Data analysis and interpretation

Interpretation: The age of the respondents ranged from <25- 60 years above. Majority of the respondents 42.67% belong to the age group of 45-60 years where as 30.67% were between the ages of 25-45 years and a marginal 14% were between the ages of <25 years and the respondents 12.67% comes under the age group of 60 and above years. This represented that majority of the respondents were middle adulthood. This results that people of this ages are usually fond of home appliances (Fig. 1 and 2).

Interpretation: Most of the respondents 44.67% were in the income level between 5-10 lakh, 30% of the

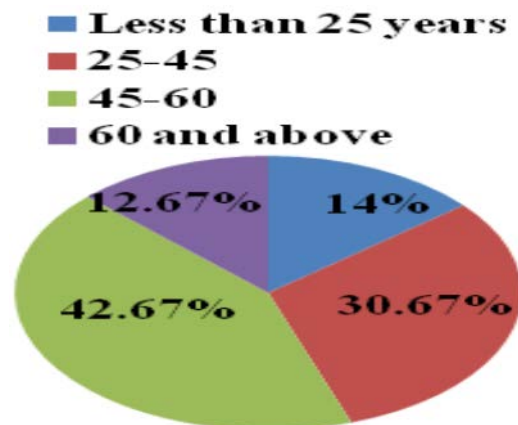


Fig. 1: Age group of the customers

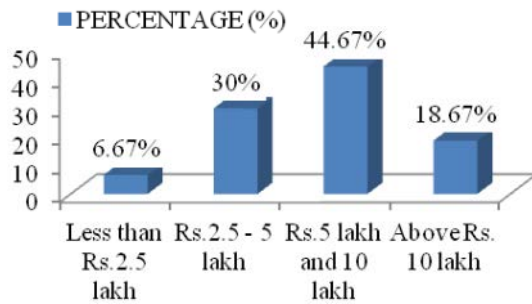


Fig. 2: Income level of the customers

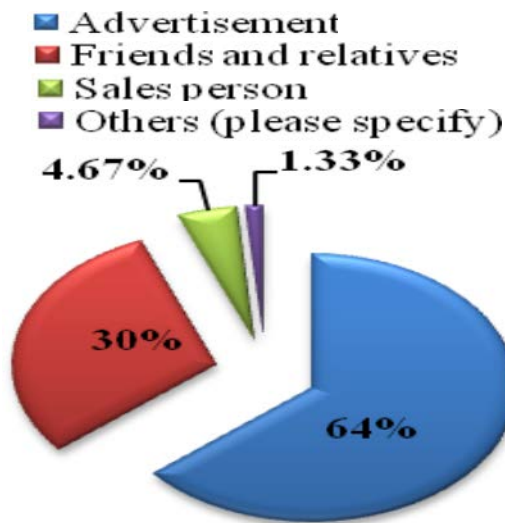


Fig. 3: Awareness of the showroom

respondents between 2.5-5 lakh and 18.67% of the respondents with the level of above 10 lakhs and for 6.67% people are <2.5 lakh. Majority of the respondents income level is 5-10 lakh (Fig. 3).

Interpretation: From (Fig. 3) it is inferred that 64% of the respondents came to know about the shop through advertisement, 30% of the respondents came to know through their friends, 4.67% of the respondents came to know through sales person and 1.33% of the respondents came to know their family.

Interpretation: From (Fig. 4) inferred that all the respondents were involved in purchase of home appliances, gathered information through media. The 36.67% of the respondents were aware through newspaper, 30.67% of the respondents were aware through notice, leaflet, posters and hoardings. The 27.33% of the respondents got the information through radio and television and 5.33% of the respondents from internet.

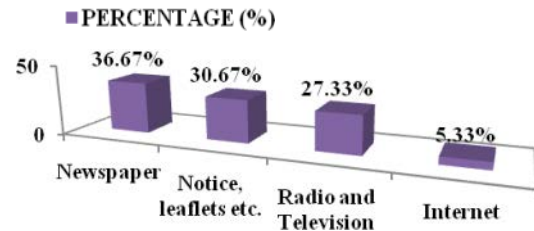


Fig. 4: Level of awareness of the home appliance showroom through media



Fig. 5: Promotional offers of the showroom



Fig. 6: Seasonal offers

Interpretation: From (Fig. 5) indicates that 42.67% of the respondents were benefited by the discounts offers, 37.33% of the respondents were benefited by the special gift offers and the remaining 20% of the respondents were benefited by the cash coupons for future purchase.

Interpretation: From the (Fig. 6), it is inferred that 44% of the respondents were used to purchase on Diwali sale, 32% of the respondents were purchase during the Christmas and Ramzan sale, 13.33% of the respondents were purchased on Aadi sale and the remaining 10.67% of the respondents mentioned the summer sale.

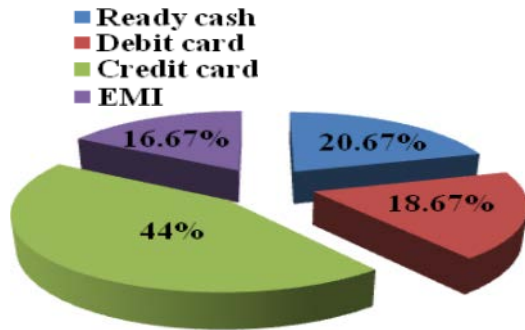


Fig. 7: Mode of payment



Fig. 8: Factors that prompt to visit the showroom

Interpretation: In the (Fig. 7), it results that purchase of home appliance on credit card basis is quite popular among 44% of the respondents and 20.67% of the respondents were purchased in ready cash basis, 18.67% of the respondents were purchased on the basis of debit card and 16.67% of the respondents were used EMI (Kashyap, 2007).

Interpretation: It is understood that almost 48% of the respondents prefer quality and price of the products, 38.67% of the respondents has chosen because of availability of brands, 9.33% of the respondents come for availability of new models and finally 4% of the respondents come only for free services warranty (Fig. 8).

Interpretation: It is evident from the (Fig. 9) that 90.67% of the respondents said that membership card facility is provided in most of the supermarkets and less than of the respondents opine that they are not providing the membership card facility.

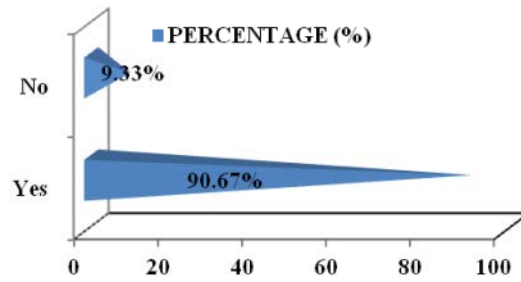


Fig. 9: Availability of membership card facility

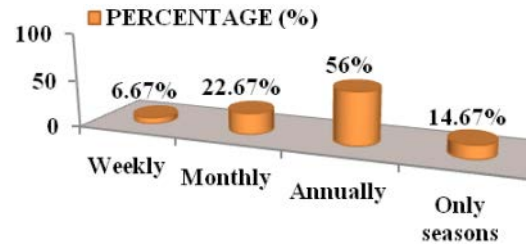


Fig. 10: Periodicity of offers

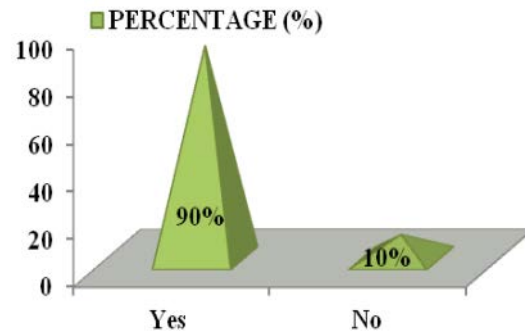


Fig. 11: Discount offers given by the showroom is genuine and beneficial

Interpretation: From the (Fig. 10), it shows us that 56% of the respondents say that they would get offers annually, 22.67% of the respondents opinion they would get offers monthly, 14.67% of the respondents mentioned only at seasons and remaining 6.67% of the respondents said weekly.

Interpretation: From the (Fig. 11) we can interpret that 90% of the respondents are satisfied and benefited by the discount offers provided by the store and the remaining 10% of the respondents are not much benefited.

Interpretation: It can be found out from the (Fig. 12) that 81.33% of the respondents are not influenced by the celebrity endorsements while making purchase decision and only 18.67% of the respondents are only influenced by the celebrity endorsement.

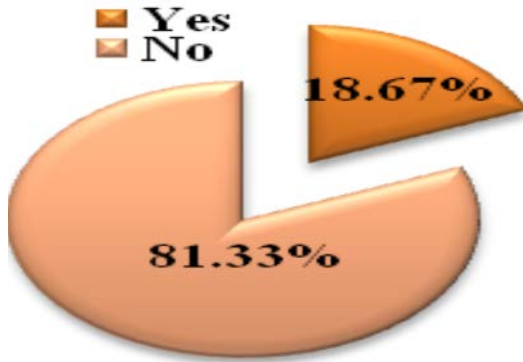


Fig. 12: Celebrity endorsements and purchase decisions

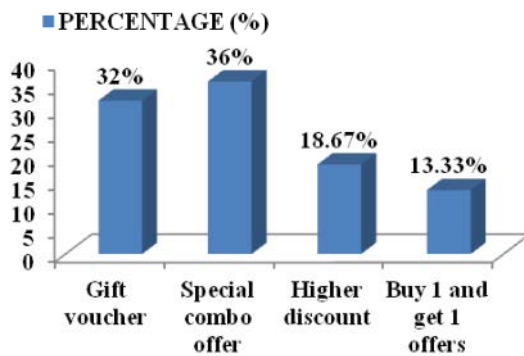


Fig. 13: Factors influencing visit to the showroom

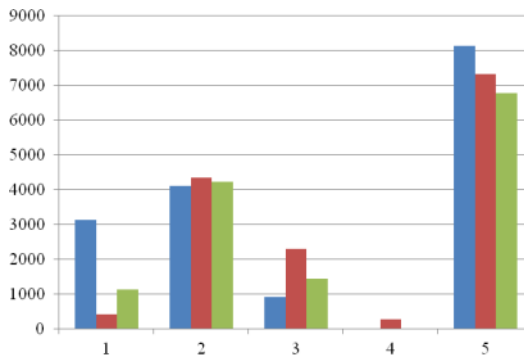


Fig. 14: Statistical analysis

Interpretation: It can be inferred that the (Fig. 13) 36% of the respondents are attracted by the special combo offer, 32% of the respondents are attracted by the gift voucher, 18.67% of the respondent attracted by higher discount and remaining 13.33% of the respondents are attracted by buy 1 and get 1 offer.

Statistical analysis:

- H_0 : there is a positive relationship between promotional offers and festival seasons (Table 1 and 2)

Table 1: Positive relationship between promotional offers and festival seasons

X	Y	X ²	Y ²	XY
056	20	3136	400	1120
064	66	4096	4356	4224
030	48	900	2304	1440
000	16	0	256	0
150	150	8132	7316	6784

Table 2: Correlation between promotional offers and festival seasons

Dependent (X) variable	Independent (Y) variable	R = Correlation	Result
Promotional offers	Festival seasons	0.8795	Positive Correlation

Hence t in (Fig. 14) here is a high degree of positive correlation (R = 0.8795) between the dependent variable (Promotional offers) and the independent variable (Festival seasons). Therefore, the Null hypothesis (H_0) is duly accepted:

- The 42% of the respondents belong to the age group of 45-60 years
- The 89% customers visit supermarkets to buy home appliance only during festival season
- The 48% of customers prefer to buy in supermarket/showroom for the availability of brands
- The 44% of customers are using credit card and only 20% of customers use ready cash payment method
- The 81.33% of the customers are not influenced by the celebrity brand ambassador while making purchase decision
- The 90.67% of the customers prefer membership card facility during their purchase
- The 64% of customers are influenced by the advertisements of Supermarket for visiting them
- It is found that 90% of the customers are satisfied with discount offers
- The 44.67% of the customers who visit Supermarket have their annual income range from Rs. 5-10 lakh
- The 42% of the respondents are benefited by the promotional offers provided by the showroom

CONCLUSION

Successful companies rely on their satisfied customers to return and to repurchase and to suggest the company's offerings to others. The interest evoked by a stimulus (or stimuli) or the aspects of the person, the product and the situation all combine to determine the consumers' motivation to buy home appliances and that too in increasing quantities. The dealer should maintain a good dealer customer relationship and provide the best possible after sale services.

SUGGESTION

- Surprise gifts like sending greeting cards, wishes on their birthday/anniversary for the customer must be given to attract the regular customers and to retain them
- Home appliance like television, refrigerator, air conditioner etc which are more preferred by the customers must be made available in large numbers
- Employees must be trained regarding serviceability. Soft Skills Training must be imparted to them
- The customer satisfaction depends not only upon the performance of the showroom but also upon the care and maintenance of handling the customers. Therefore the showroom must conduct workshops for employees in the above subjects
- The showroom must start a lucky draw for customers who buy home appliances from for the second time

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