

**AN ANALYTICAL STUDY OF IMPACT OF MARKETING STRATEGIES OF COMPANY IN
DEVELOPING BRAND NAME AND BRAND ACCEPTANCE OF CONSUMER
DURABLE GOODS WITH SPECIAL REFERENCE TO NAGPUR REGION
(FROM THE DEALERS PERSPECTIVE)**

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ABSTRACT

This present study is focused on marketing strategies adopted by various companies manufacturing consumer durable in white goods sector. Since the firms sell their consumer durable white goods in a competitive market, several parameters and factors are considered for consumer durable white goods taking various marketing strategies to dominate the market. Now a day's sales maximization is synced with marketing strategies. This paper studies the dealers perspective to understand the impact of various strategies in terms of the influence it has on the purchase decision. During research, the researcher learned that it is a lot cheaper to keep existing customer happy than to attract new one. But maintaining relation with existing customer in level that constantly encourages them to stay with a company is a dynamic and meticulous job. And hence innovation in marketing strategies is very important and is a need of the hour.

KEYWORDS: Marketing Strategies, Consumer Durables, White Goods, Sales Maximization

INTRODUCTION

An organization's strategy is that which combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business. The marketing strategy is the foundation of a marketing plan¹. The process developing a marketing strategy generally begins with a scan of the business environment, both internal and external, which includes understanding strategic constraints. It is generally necessary to try to grasp many aspects of the external environment, including technological, economic, cultural, political and legal aspects. Goals are chosen. Very often the success or failure of a company is a direct result of an effective or not so effective marketing strategy. Therefore, choosing a marketing strategy that fits the company product is of vital importance.

Need and Rationale of the Study

Since Inception India was dominated by indigenous industrial houses like Videocon, BPL, ONIDA, Kelvinator, and many others, but the entrance of multinationals in Indian market because of opening up of Indian economy gave these companies a big blow. MNCs that are gaining good market share are Samsung, LG, Electrolux, Haier etc. Due to various national and international companies, it is very essential for the companies to use various innovative marketing strategies

¹<http://www.tronviggroup.com/marketing-strategy/>

from time-to- time. The main aim of proposed study is to analyze the impact of various marketing strategies used in a tier 2 city like Nagpur where there is intense competition and how these marketing strategies help in developing brand name and brand acceptance of white goods of various players and various white good categories.

REVIEW OF LITERATURE

- **Do you really have a global strategy?-By Gary Hamel and C. K. Prahlad. Reprinted from Harvard Business Review No. 85409, July –August (1985).Pg. No. 139-150.**

The article discusses that how Japanese television manufactures had an edge over US companies because of competitive advantage in terms of low cost and entry strategies. Through a detailed analysis of the television markets the authors show that only by thinking about strategy in amore analytical light, companies in U.S. can overtake its competitors in the consumer electronics industry. The threat of foreign competition pre occupies managers in industries in consumer electronics field. According to both the authors US organizations should go global when they can no longer get the minimum volume needed for cost efficiency at home and when international markets permit standardized marketing approaches.

The authors have discussed various strategies related to cross subsidization, regaining cost competitiveness, resource allocation, geography based organizations etc. In pursuing complex global marketing strategies a company has to find different ways, to evaluate the geographic scope of different individual business sub systems-manufacturing, distribution, marketing and so on

- **“Marketing strategy based on customer behavior for LCD T.V”.-By: Yu-Jing Chiu, Hsiao-Chi Chen, Gwo-Hshiung Tzeng, Joseph Z. Shyu (Institute of Management of Technology, National Chiao Tung University). International Journal of management and decision, Vol. 7, No.2-3\2006 (Pgs. 143-165). ISSN: 1462-4621(PRINT), 1741-5187 (Online), Inderscience Publishers.**

As per the research conducted by the authors, manufacturers of LCD-TV tend to focus on technology with little consideration for customer needs. Customer behavior has been researched upon by them in order to learn more about customer needs in an effort to reduce the gap between technology and customer needs. Customer behavior is defined in this study as buying behavior. The traditional concept of marketing strategy is not multi-dimensional and so the employed the Decision Making Trial and Evaluation Laboratory (DEMATEL) method. The DEMATEL method is used to detect customer buying-decision-factors. The relative relationship supports strategic planning in actual situations and the competitive environment. Results show that customer buying-factors include price, quality, resolution of kinescope, low radiation, and the relationship between these factors. Quality is a powerful factor affecting others, with advertising as a prime example. The marketing strategy planning framework is proposed according to the relationship of decision factors. This study provides relationships and marketing strategy planning for firms in the LCD-TV market to meet customer needs.

- **Iamwire (April 2012).Growth In consumer durables demand and e-commerce a good fit; ASSOCHAM reports overall market to grow INRRs.52k crores by 2015.Retrieved from www.iamwire.com/2012/04/consumer-durable-market-reach-rs-52000-crores-assochem/#_amqhijv2**

ASSOCHAM's recent report says that consumer electronics and durables sector in India is expected to grow at a CAGR of about 15% .The reason for the growth is fuelled by rising demand from Indian middle class as well as growing sale through online retail formats. "Demand for consumer electronics and durables is driven by young demographic population backed by rising disposable income and skilled and highly educated workforce" said Dr.R.S.Rawat (Secretary General) ASSOCHAM.

Low penetration levels ,easy finance choices and growing eminence of consumer electronics along with retail stores ,online retail industry and 400+ Indian middle class coupled with comprehensive rise in level of prosperity is the reason fro increased demand in the electronics industry.

As per Mr.Ranjith Boyanapillai, Founder & CEO of Buytheprice.com, an e-tailer of electronics and consumer durables ,the AIDA model of buying(Awareness-Interest-Desire-Action), AID is happening increasingly online,and the last stage too can be converted online which depends upon right price point, delivery time and service experience. As per ASSOCHAM report MNC's with superior technology and better quality control account fro 70% market share for overall consumer electronics and durables in the Indian market and also has a strong hold on urban middle class segment growing about 12 to 15% and in semi urban and rural areas ,they have a growth of 40% in overall market..

E-tailers such as Buytheprice.com, Homeshop18, Flipkart, Infibeam, India plaza, Future Bazaar along with multichannel retailers such as CROMA, Vijay Sales etc. have captured a very large share which in turn have prompted original manufacturer to set their own online retail format such as LG, Samsung, Sony etc.

RESEARCH DESIGN

The research design followed in this thesis is 'Descriptive' in nature. The problem statement is based on the impact of the marketing strategies used by the dealers. These types of studies are performed earlier too but this is an attempt which is made in different segment of the product.Thus this is an attempt to bridge the gap between generic strategies which are to be used and actual strategies which are being used.

PROBLEM STATEMENT

The specific purpose of the study is to identify and assess the impact of various marketing strategies of white goods companies In Nagpur city. Since the consumer electronics goods referred to as white goods, like refrigerators, televisions and air conditioners, have low penetration in the country, leaving vast room for future growth , the major focus will be on how effectively marketing strategies can be used to explore the full potential with special preference to Nagpur Region.

OBJECTIVES

- To study the effectiveness of use of marketing strategies in increasing consumers base.
- To study whether Marketing strategies used by dealers have provided motivation to consumers for more purchase
- To study whether the sales of appliances have affected due to use of marketing strategies by the dealers.
- To study whether the uses of different marketing strategies are effective in increasing the sales of the appliances.

- To study whether the use more and innovative marketing strategies by dealers for increasing the sales will be effective
- To study whether is there a relationship between schemes offered to the customers and sales of the products.

HYPOTHESIS

- H0 1- The use of marketing strategies has been ineffective in increasing consumers base.
- H0 2- Marketing strategies used by dealers have provided no significant motivation to consumers.
- H0 3- The sales of appliances have remain unaffected due to use of marketing strategies by the dealers.
- H0 4- The uses of different marketing strategies are ineffective in increasing the sales of the appliances.
- H0 5- The use more and innovative marketing strategies by dealers for increasing the sales of the appliances may not be effective.
- H0 6- There will be significant impact of marketing strategies of company in developing brand name and brand acceptance of Consumer durable goods

SAMPLING UNIT & SAMPLING FRAME

The element or unit being studied in this case are dealers of white goods in Nagpur. 10 dealers of white goods are taken as the sample size. The sampling type is convenient sampling.

DATA ANALYSIS

Hypothesis Testing for Dealers-

Reliability Analysis

Table 1

Case Processing Summary			
		N	%
Cases	Valid	10	100.0
	Excluded ^a	0	0.0
	Total	10	100.0

a. List wise deletion based on all variables in the procedure.

Table 2

Reliability Statistics	
Cronbach's Alpha	N of Items
.864	6

Table 3

Reliability Statistics			
Cronbach's Alpha	Part 1	Value	.686
		N of Items	3 ^a
	Part 2	Value	.813
		N of Items	3 ^b
	Total N of Items		
Correlation Between Forms			.880
Spearman-Brown Coefficient	Equal Length		.936
	Unequal Length		.936
Guttman Split-Half Coefficient			.932

Interpretation

The above table states the reliability analysis of the customers’ database used for the hypothesis testing. The rationale behind doing reliability analysis is to check the consistency of the responses given by the respondents so that the premises which could be established should be consistent; hence researcher has taken utmost precaution to maintain the consistency of the data.

The reliability coefficient when is more than 0.6, then the data is considered to be reliable. The (coefficient) Cronbach’s alpha is 0.690 in this case hence the data can be considered as reliable. Further researcher conducted another test also to recheck the validity which is Guttman split half coefficient is 0.932 which indicates the high reliability of the data.

Hypothesis-I

H0 1- The use of marketing strategies has been ineffective in increasing consumers base.

Table 4

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
Effective in increase in consumers	10	4.6000	.69921	.22111		
One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Effective in increase in consumers	7.236	9	.000	1.60000	1.0998	2.1002

Interpretation-

The significance value while testing the premise came out to be 0.000 which is less than 0.05 that is the significant value falls in the error or rejection area which implies that researcher rejects the null hypothesis and accepts that the use of marketing strategies have been effective in increasing the customer base.

Hypothesis-II

H0 2- Marketing strategies used by dealers have provided no significant motivation to consumers.

Table 5

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
Motivated consumers to buyceg	10	4.3000	.82327	.26034		
One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Motivated consumers to buyceg	4.993	9	.001	1.30000	.7111	1.8889

Interpretation-

The significance value while testing the premise came out to be 0.000 which is less than 0.05 that is the significant value falls in the error or rejection area which implies that researcher rejects the null hypothesis and accepts that different schemes offered to customers have motivated them to buy more CEG.

Hypothesis-III

H0 3- The sales of appliances have remain unaffected due to use of marketing strategies by the dealers.

Table 6

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
Sales increased due to mktngstrtegy	10	4.5000	.52705	.16667		
One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Sales increased due to mktngstrtegy	9.000	9	.000	1.50000	1.1230	1.8770

Interpretation-

The significance value while testing the premise came out to be 0.000 which is less than 0.05 that is the significant value falls in the error or rejection area which implies that researcher rejects the null hypothesis and accepts that The sales of appliances have remain unaffected due to use of marketing strategies by the dealers .

Hypothesis-IV

H04 - The uses of different marketing strategies are ineffective in increasing the sales of the appliances.

Table 7

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		

Effective in increasing sales	10	4.3000	.82327	.26034		
One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Effective in increasing sales	4.993	9	.001	1.30000	.7111	1.8889

Interpretation-

The significance value while testing the premise came out to be 0.000 which is less than 0.05 that is the significant value falls in the error or rejection area which implies that researcher rejects the null hypothesis and accepts that the sales of appliances have increased due to use of marketing strategies by the dealers.

Hypothesis-V

H0 5-The use more and innovative marketing strategies by dealers for increasing the sales of the appliances may not be effective.

Table 8

One-Sample Statistics						
	N	Mean	Std. Deviation	Std. Error Mean		
Dealers should use mktngstragies	10	4.6000	.69921	.22111		
One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Dealers should use mktngstragies	7.236	9	.000	1.60000	1.0998	2.1002

Interpretation-

The significance value while testing the premise came out to be 0.000 which is less than 0.05 that is the significant value falls in the error or rejection area which implies that researcher rejects the null hypothesis and accepts that the different marketing strategies are effective in increasing the sales of the appliances

Hypothesis- VI

H06- There will be significant impact of marketing strategies of company in developing brand name and brand acceptance of Consumer durable goods

To test the given hypothesis the response was generated on the following marketing strategies adopted by the companies from the dealer’s in the Nagpur city. The actual response is as under:

Table 9: Actual Response from Dealer's

	Yes	No	Total
Product Innovation	8	2	10
Pricing of the Product	3	7	10
Advertisement & Sales Promotion	7	3	10
	18	12	30

Majority of the dealer is of the opinion that the innovation made by the company in their products contribute effectively in developing brand name and brand acceptance. Whereas the Advertising and various sales promotion schemes launched by the companies from time to time also helps in building and developing the brand. On the contrary Pricing strategy of the company may not be that effective in developing the brand name and brand acceptance as per the sample respondents. Out of the three strategies as per the dealer's opinion two strategies are useful in developing the brand. Thus we primarily say that marketing strategies have a significant impact on in developing brand name and brand acceptance for consumer durable goods. But to accept it, the test of significance is to be adopted. Chi-square test is used to test the hypothesis, as the data classified according to several attributes. This test helps us to determine whether the relationship is significant or not.

Table 10: Expected Response from Dealer's

	Yes	No	Total
Product Innovation	6	4	10
Pricing of the Product	6	4	10
Advertisement & Sales Promotion	6	4	10
	18	12	30

Table 11: Difference between Actual and Expected Response from Dealer

	Yes	No
Product Innovation	2	-2
Pricing of the Product	-3	3
Advertisement & Sales Promotion	1	-1

Table 12: Square of Difference between Actual and Expected Response from Dealer

Divided by Expected Response from Dealer's

	Yes	No
Product Innovation	0.67	1
Pricing of the Product	1.5	2.25
Advertisement & Sales Promotion	0.17	0.25

The summation of square of difference between Actual and expected response from dealer divided by expected response from dealer is 5.85.

Degree of freedom = (No of rows - 1) x (No of Column - 1)

$$= (3 - 1) \times (2 - 1)$$

$$= 2$$

On comparison of the calculated value (5.84) with the tabulated value at 5% level of significance at degree of

freedom 2 (5.990) is lesser. Thus, there is no evidence to reject the null hypothesis.

Therefore, the hypothesis “There will be significant impact of marketing strategies of company in developing brand name and brand acceptance of Consumer durable goods” is accepted

FINDING OF DEALER’S ANALYSIS

- All the dealers who have been selected as sample respondents are selling all the white durable goods which have been selected for the purpose research purpose.
- Equal numbers of dealer’s (30 per cent each) are selling white durable goods of Samsung and LG. Whereas 40 per cent are selling either Videocon or all the brands.
- Dealer’s monthly sale of Refrigerator, Television Sets and Washing Machine is more of LG Company.
- In case of Air Conditioner, the sale of Samsung’s Air conditioner is high compared to LG and Videocon.
- Videocon and LG both share equal sale in case of microwave Oven.
- Sales of LG company’s white durable goods (70 per cent) is high as compared to Samsung (20 per cent) and Videocon (10 per cent)
- The company LG (40 per cent) offers more incentives like foreign/Tourist trips turn over profit etc., followed by Samsung (30 per cent) and Videocon (20 per cent)
- To make improvement in sales, majority of the dealer’s preferred to make an advertisement as their own (50 per cent), whereas as a 30% of the total sample respondents preferred to depend upon the company’s marketing strategy.
- Majority of the dealers (60 per cent) are of the opinion that Company LG is most popular in white durable goods as compared to Samsung (20 per cent) and Videocon (10 per cent).

CONCLUSIONS AND RECOMMENDATION

This present study focused on marketing strategies adopted by various dealers selling consumer durable white goods sector. Since the firms have sold their consumer durable white goods in a competitive market, several parameters and factors are considered for consumer durable white goods taking various marketing strategies to dominate the market. In each organization it may be durable or non durable tries to maximize the profit on those days’ business objectives as of taking to maximize the profit. Now a day’s sales maximization with marketing strategies is adopted by the firms.

It is important that consumer durable industry apply various marketing strategy to their relationship building initiatives with the various stakeholders that influence their competitiveness in the market.

- There is also a lack of trust in the relationship between consumer durable white goods and to determine their brand preferences with regards to the supply of products and services. Against this background there is a clear need for the management of consumer durable white goods.
- The biggest challenge faced by the consumer durable white goods sector in India is customer retention and also to

pay more in order to hold them in terms of service related factors.

- The changing shape of the consumer durable white goods industry is certain relationship drivers which are likely to have an impact across consumer durable white goods categories.
- There is a true competitive advantage therefore customer opinions matter and their responses will originate change within the organization.
- The biggest problem however, is that companies do not manage the customer contact experience with sufficient details.
- One of the critical factors that influence consumer durable demand is the government spending on infrastructure, especially the rural electrification program.
- Therefore the present study solves the problems of following objectives and is set to achieve the goal/solution of the study.
- Because of stiff competition between the consumer durable white goods, it is extremely difficult not just to acquire new customer but also to hold back the existing customer.
- The main objective of the research is to study the Marketing Strategies in the consumer durable white goods sector by analysing the satisfaction, loyalty and retention of the model.
- In this context, studied the relevance of customer's satisfaction and how it affects the loyalty and retention in the consumer durable white goods.
- It is virtually important to understand the factors that considered on customers retention and the role that it can play in formulating strategies and plans.
- The frustrating fact is that the CRM practices in the consumer durable white goods are found to be not very effective in customer's satisfaction and in turn loyalty and retention.
- During research, the researcher learned that it is a lot cheaper to keep existing customer happy than to attract new one. But maintaining relation with existing customer in level that constantly encourages them to stay with a company is a dynamic and meticulous job. And hence innovation in marketing strategies is very important and is a need of an hour.

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