Research Paper Management

Survey To Find out Percentage Market Share of Each Brand of Home Appliences in Shahapur, Titwala, Ulhasnagar Areas and Study of Dealer Influnce on Purchase Decisions

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ABSTRACT

The Indian consumer durables industry has witnessed a considerable change in the past couple of years. Changing lifestyle, higher disposable income coupled with greater affordability and a surge in advertising has been instrumental in bringing about a sea change in the consumer behavior pattern. Apart from steady income gains, consumer financing and hire-purchase schemes have become a major driver in the consumer durables industry. In the case of more expensive consumer goods, such as refrigerators, washing machines, color televisions and personal computers, retailers are joining forces with banks and finance companies to market their goods more aggressively. The objective of the research paper is to find out percentage market share of each brand of home appliances in the areas like Shahapur, Titwala, Vasind, Shahad and Ulhasnagar. Dealer plays very important role in the decision making process in case of consumer durable industry. The objective of the study is also to understand the influence of dealer on purchase decision of consumer.

KEYWORDS : Home appliances, Dealer, market share, push brands, pull brands etc

1. Introduction:

In the past 15 years, the global market has witnessed a surge in demand as economies such as Brazil, Mexico, India and China have opened up and begun rapid development, welcoming globalization. The consumer durables industry has always exhibited impressive growth despite strong competition and constant price cutting, and the first contraction since the 2001 dot-com bust has been due to the global recession. Given the strong correlation between demand for durables (both new and replacements) and income, the industry naturally suffered during the 2008-2009 period. However, projections for current year going forward are very optimistic, as consumers resume spending, and producers launch new enticing variants to grab new customers. Developing countries such as India and China have largely been shielded from the backlash of the recession, as consumers continued to buy basic appliances. In fact, China has been ranked the second-biggest market in the world for consumer electronics. Despite the recession, their strong domestic economy and growing high-income population have buoyed demand leading to aggressive market growth. There is growing interest for new age products such as LCD-TVs and DVD players. Meanwhile, the penetration of the basic, largest dollar items such as ovens, washing machines and refrigerators is also increasing. India too, has witnessed a similar phenomenon, with the urban consumer durables market growing at almost 10 %p.a., and the rural durables market growing at 25% p.a. Some high-growth categories within this segment include mobile phones, TVs and music systems.

1.1 Challenges:

The biggest threats to the local industry going forward are supply-related issues pertaining to distribution and infrastructure, as well as demand issues due to competition from imported goods. The lack of well developed distribution networks makes it especially challenging to penetrate the fastest growing rural areas economically. In addition, regular power cuts and poor road linkages make systematic production, assembly and delivery problematic. On the demand side, customers have increasing choice from both domestically produced and imported goods, with similar features. This homogeneity makes it difficult for players to remain ahead of the competition.

MNCs hold an edge over their Indian counterparts in terms of superior technology combined with a steady flow of capital, while domestic companies compete on the basis of their well-acknowledged brands, an extensive distribution network and an insight in local market conditions. The largest MNCs incorporated in India are Whirlpool India, LG India, Samsung India and Sony India and homegrown brands are Videocon, Godrej Industries and IFB. Overall, the industry's future remains robust, and interested applicants will benefit from a holistic learning experience; Many of the research, sales, marketing and advertising related roles will necessitate a good on-the-job learning of target audiences, who may well be a totally new segment, based in never-before visited Class II and III towns. In addition, those with technical backgrounds will be able to leverage their knowledge and experience to constantly develop and innovate the product variants. With more MNCs growing their Indian businesses, there is great potential to also learn best-in-class systems and management skills.

1.2 Pull Brands & Push Brands:

Pull brand: This type of brand has successfully reached and registered in the minds of the consumers. This is achieved through extensive advertisement and branding activities. A considerable amount of cost is involved to make a brand a Pull brand. For such brands, the customers come to the store with the brand in mind and ask for it or insist buying that brand. Hence the dealer does not have to do much to convince the customers and the sale of Pull brand products is much more easier. The dealer however gets a comparatively lesser margin on these brands and such brands are costlier as the cost of advertisement and awareness creation is usually passed on to the consumers.

Push brand: Here there is less expenditure made on advertisement and branding activities. The dealer has to take efforts in convincing the customers to buy these products. The profit margin for the dealer is more and these products are comparatively less costlier than Pull brand products.

2. Research Methodology And Sample Structure:

This Survey includes showrooms, modern trade shops, exclusive shops, retail shops across Shahapur, Titwala, Vasind, Shahad and Ulhasnagar areas.

Sources for collecting the data for market share and analysis is as follows:

1. Display of the shop that is number of display items of each brand
2. Internal sales record of the shop
3. Stock of the shop
4. Consumer feedback

The findings of this project were based on feedback received from dealers of consumer durables and through interaction with consumers. This analysis is is done across 100 shops(including small and big electronics showrooms).

3. Results of these analysis and market share are as follows:

3.1 Total percentage share of each brand in Shahapur area:

Nomenclature:

LCD- Liquid Crystal Display
LED- Light Emitting Diodes
CRT- Cathode Ray Tube
REF- Refrigerator
WM- Washing Machines
AC- Air Conditioner

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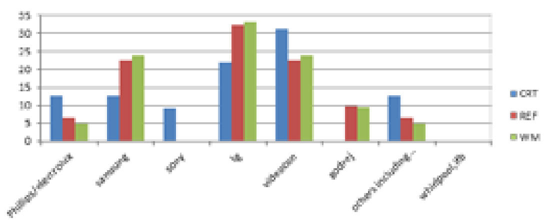
BRAND NAME	LCD	CRT	REF	WM	AC
Phillips/Electrolux	0	7.7	2.3	7.4	0
Samsung	14.3	20.5	13.9	3.7	33.3
Sony	0	10.2	0	0	0
LG	28.57	10.2	27.9	37	33.3
Videocon	57.1	33.3	20.9	11.1	33.3
Godrej	0	0	16.2	11.1	0
Others including Onida, Hair	0	17.9	18.6	29.6	0

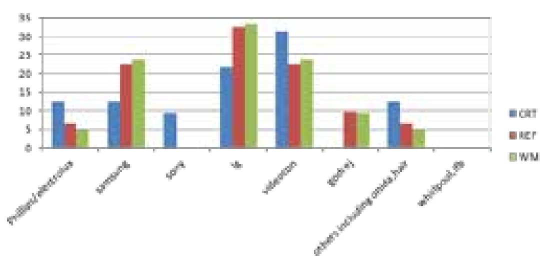
Graphical Presentation:



3.2 Total percentage share of each brand in Titwala area:

BRAND NAME	LCD	LED	CRT	REF	WM	AC
Phillips/Electrolux	9.1	16.6	7.31	1.6	2.5	0
Samsung	18.2	33.3	12.2	19.7	23.1	50
Sony	9.1	0	9.7	0	0	0
LG	36.4	50	29.3	29.5	35.9	50
Videocon	27.3	0	24.4	14.7	15.4	0
Godrej	0	0	0	18	15.4	0
Others including Onida,Hair	0	0	17.1	16.4	7.7	0

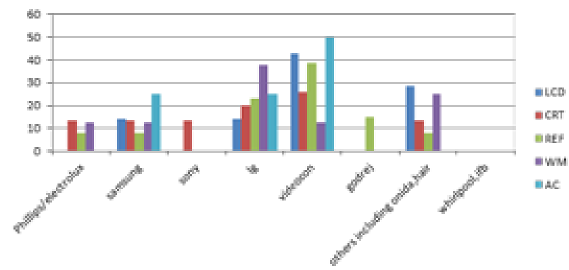
Graphical Presentation



3.3 Total percentage share of each brand in Vasind area:

BRAND NAME	CRT	REF	WM
Phillips/Electrolux	12.5	6.5	4.8
Samsung	12.5	22.6	23.8
Sony	9.4	0	0
LG	21.9	32.5	33.3
Videocon	31.2	22.6	23.8
Godrej	0	9.7	9.5
Others including Onida,Hair	12.5	6.5	4.8

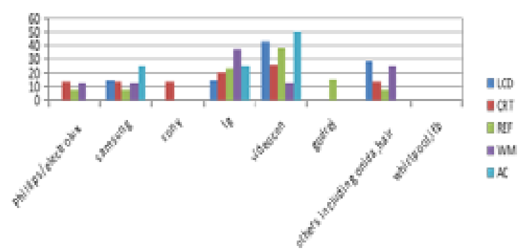
Graphical Presentation

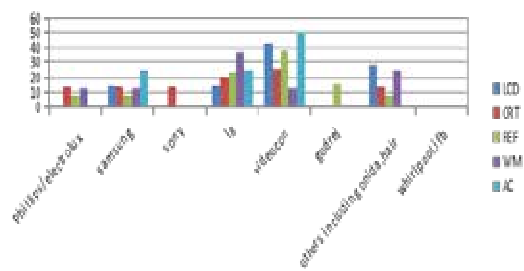


3.4 Total percentage share of each brand in Ambivali area:

BRAND NAME	LCD	CRT	REF	WM	AC
Phillips/Electrolux	0	13.4	7.7	12.5	0
Samsung	14.3	13.4	7.7	12.5	25
Sony	0	13.4	0	0	0
LG	14.3	20	23	37.5	25
Videocon	42.9	26	38.4	12.5	50
Godrej	0	0	15	0	0
Others including Onida,Hair	28.6	13.4	7.7	25	0

Graphical Presentation

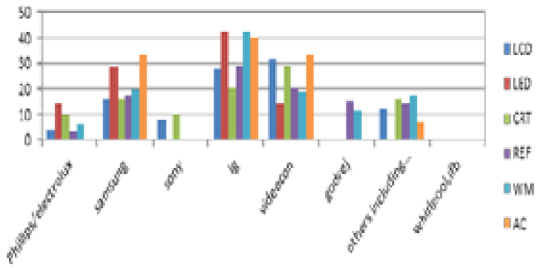




3.5 Total percentage share of each brand in Shahad area:

BRAND NAME	LCD	LED	CRT	REF	WM	AC
Phillips/Electrolux	4	14.3	9.5	3.3	6.3	0
Samsung	16	28.6	15.8	17.5	20	33.3
Sony	8	0	10.3	0	0	0
LG	28	42.8	20.5	29	42.5	40
Videocon	32	14.3	29	20.3	18.7	33.3
Godrej	0	0	0	15.5	11.2	0
Others including onida,hair	12	0	15.8	14.2	17.5	6.7

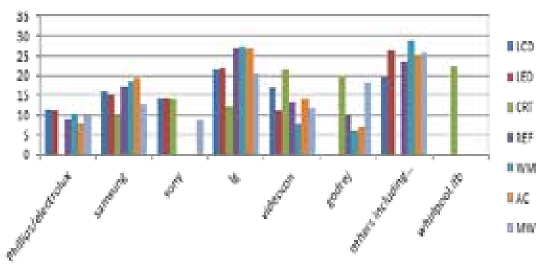
Graphical Presentation



3.6 Total percentage share of each brand in Ulhasnagar area:

BRAND NAME	LCD	LED	CRT	REF	WM	AC	MW
Phillips/Electrolux	11.6	11.3	10	9	10.3	8.1	10
Samsung	16	15	14	17.2	18.5	19.5	12.7
Sony	14.3	14.3	12.2	0	0	0	8.8
LG	21.5	21.8	21.5	27	27.3	27	20.5
Videocon	17	11.3	19.9	13.3	7.8	14.1	11.7
Godrej	0	0	0	9.8	6	7	18.1
Others including Onida,Hair	19.6	26.3	22.3	23.6	29	25	25.8

Graphical Presentation



4. Key Findings of the research:

Maintaining a good relationship with the dealer is very important. 70 % of consumer agrees that dealer makes major role in the decision making process in case of home appliances. A very important aspect for sale is the display of brand. The more and better the display more is the increase in sale of our product. "One that is seen more is sold the most" Principal brand has to win dealer confidence in order to increase the display of their product in the store. For example, if there are 4 different models of Washing machine A and just one model of machine B then there is a higher chance of the customer buying one of the brand A machine as he has been provided with more options to choose from.

The products are sold to the dealer based on Dealer price (D.P) as against M.R.P at which consumers buy the products. Based on the volume of purchase every dealer is given a discount over the dealer price. This discount can vary from 5% to up to 12%. In addition to this every dealer is given an additional Cash discount ranging from 1% to 5% provided he makes the payment within a mutually agreed period which is usually 21 days. The cash discount encourages the dealers to pay their bills on time and increase their profit margins.

5. limitations of the market research:

1) Consumer feedback may depends upon consumer perception thus may have rational approach.

2) ConsumeDealer feedback may be biased sometimes regarding particular products.

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