

Analysis Of Pricing Strategies Towards Apparel Segments Among Retailers, Sri Ganapathy Silks In Sankarankovil

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ABSTRACT

The research was entitled under an “Analysis of pricing strategies towards apparel segments among retailers in Sri Ganapathy Silks, Sanakarankovil “. In this paper, we consider the situation of great differences in the domestic on account of the situation of the differences between different regions in domestic market and the condition of manufacturing taking foreign pricing strategy in difference regions, we first constructed the traditional manufacturer pricing model, then proposed and proved that the pricing differences can get more profit, which is pointed out in the traditional market markers manufacturers can implement the differential pricing to gain more profit through the different regions secondly, four of pricing strategy of manufacturer are given, namely, retail prices remain unchanged, unified pricing strategy, different pricing strategy between products. We experiment the pricing strategy of the theoretical analysis and numerical analysis, and the various strategies are analyzed and corresponding conclusions are given. This paper explored the pricing strategies towards apparel segments among retailers in Sri Ganapathy Silks, Sanakarankovil. A sample of 442 customers gathered via to choose the convenience sampling which has been provided the basis for analysis. Data was collected through questionnaire and analyzed through SPSS. The correlation and ANOVAs result shows that significant and positive relationship exists between Sri Ganapathy Silks, Sanakarankovil.

Keywords:

pricing decision, e-commerce, Retail pricing; Merchandise optimization; Pricing optimization; Pricing strategy, industrial structure, marketing, Tax manipulation etc.

Purpose of Research:

Most retailers nowadays face challenges such as how to respond consumer’s ever changing demands and how to adapt themselves to keen competition in dynamic market. Retail management is to develop a retail mix to satisfy customers’ demands and to affect customers’ purchasing decisions. The marketing mix place a major role in satisfying the customer needs.

Price is the value that is put to a product or service and is the result of a complex set of calculations, research and understanding and risk taking ability. Price in its broadest sense is the exchange value of goods and services which is stated in monetary unit. Price is the most important factor and motive for activity in market, due to which supply and demand is adjusted. A **pricing strategy** takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs, amongst others. Activates aimed at finding a product’s optimum price, typically including overall marketing objectives, consumer demand, product attributes, competitors’ pricing, and market and economic trends.

Meaning:

Pricing is a particularly critical and complex variable in overseas marketing strategies. The pricing decision ultimately affects an organization's ability to stay in the marketing. At the same time, the uncertainties of entirely unpredictable forces, such as costs, competitions, and demand, threaten with numerous pitfalls for international pricing.

Pricing policy refers to the way a company sets the **prices** of its services and products basing on their value, demand, cost of production and the market competition. **Pricing policy** is essential for all companies as it provides a guideline for creating profits and areas that bring in losses.

Definition:

Price is the value that is put to a product or service and is the result of a complex set of calculations, research and understanding and risk taking ability. A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs, amongst others. It is targeted at the defined customers and against competitors.

According to **“E R Cerey** “Pricing is the art of translating into quantitative terms, the value of the product to customers at a point of time.

According to **“Clark”** price of an articles or service is its market value expressed in terms of money.

Factors affecting pricing decisions:

The influencing factors for a price decision can be divided into two **I) Internal factors and II) external factors.**

a) Internal factors

1) Organizational factors:

Pricing decisions occur on two levels in the organization. Over-all price strategy is dealt with by top executives. They determine the basic ranges that the product falls into in terms of market segments. The actual mechanise of pricing are dealt with at lower levels in the firms and focus on individual product strategies.

2) Marketing mix:

Marketing experts view price as only one of the many important elements of the marketing mix. A shift in any one of the elements has an immediate effect on the other three-production, promotion and distribution. In some industries, firms may use price reduction as a marketing technique. Other firms may raise prices as a deliberate strategy to build a high-prestige product line.

3) Product differentiation:

The price of the product also depends upon the characteristics of the product. In order to attract the customers, different characteristics are added to the product, such as quality, size,

colour, attractive package, alternative uses etc. Generally, customers pay more prices for the product which is of the new style, fashion, better package etc.

4) Cost of the product:

Cost and price of a product are closely related. The most important factor is the cost of production. In deciding to market a product, a firm may try to decide what prices are realistic, considering current demand and competition in the market. The product ultimately goes to the public and their capacity to pay will fix the cost; otherwise product would be flapped in the market.

5) Objectives of the firms;

Firms may pursue a variety of value-oriented objectives, such as maximising sales revenue, maximising market share, maximising customer volume, minimising customer volume, maintaining an image, maintaining stable price etc.

b) External factors:

1) Demand:

The market demand for a product or service obviously has a big impact on pricing. Since demand is affected by factors like, number and size of competitors, the prospective buyers, their capacity and willingness to pay, their preference etc. Are taken into account while fixing the price. a firms can determine the expected price in a few text-market by trying different prices in different markets and comparing the results with a controlled market in which price is not altered.

2) Competition:

Competitive conditions affect the pricing decisions. Competition is a crucial factor in price determination. A firm can fix the price equal to or lower than that of the competitors, provided the quality of product, in no case, be lower than that of the competitors.

3) Suppliers:

Suppliers of raw materials and other goods can have a significant effect on the price of a product. If the price of cotton goes up, the increase is passed on by suppliers to manufactures. Manufactures, in turn, pass it on to consumers.

4) Economic condition:

The inflationary or deflationary tendency affects pricing. On the other hand, the price are increased in boom period to cover the increasing cost of production and distribution. To meet the changes in demand, price etc. Several pricing decision are available-

- a) Prices can be boosted to protect profits against rising cost,
- b) Price protection systems can be developed to link the price on elivery to current costs,
- c) Emphasis can be shifted from sales volume to profit margin and cost reduction etc.

5) Buyers:

The various consumers and businesses that buy a company's products or services may have an influence in the pricing decision. Their nature and behaviour for the purchase of a particular product, brand or service etc. Affect pricing when their number is large.

6) Government:

Price discretion is also affected by the price-control by the government through enactment of legislation. When it is through proper to arrest the inflationary trend in prices of certain products. The prices cannot be fixed higher, as government keeps a close watch on pricing in the private sector.

Types of pricing:

The marketing mix is a very important concept of marketing which involves the 4 main elements i.e people, promotion, place and price. However, the second most important factor in the marketing mix after product is the **type of pricing** being used the 13 main types of pricing and when it would be most appropriate to use them.

1. psychological pricing

Many consumers use the price as an indicator of quality. Costs and other factors are important in pricing. Yet, psychology of the prices is also considered. Certain people prefer high priced products, considered to be of high quality. Costly items like diamond, jewellery etc.,

2. customary pricing:

Customers expect a particular price to be charged for certain products. The prices are fixed to suit local conditions. The customers are familiar with the rates and market condition. Manufactures cannot control the price. Such products are typically a standardised one.

3. Skimming price

The companies that have a significant competitive advantage and which can gain maximum revenue advantage before other competitors begin offering similar products or substitutes. Thus, to get maximum margins from their products, innovative companies keep launching new variants so that customers are always in the discovery phase and paying the required premium.

4. Penetration pricing –

The penetration pricing strategy is used in order to attract more customers and to make the customer switch from current brands existing in the market. The main target group is price sensitive customers. Once a market share is captured, the prices are increased by the company.

5. Geographical pricing

The distance between the seller and the buyer is considered in geographic pricing.

- a) **F.O.B. pricing:** in FOB (original) pricing, the buyer will have to incur the cost of transit and in GOB (destination) the price influences the cost of transit charges.
 - b) **Zone pricing:** under this, the company divides the market into zones and quotes uniform prices to all buyers who buy within a zone. The prices are not uniform all over India.
 - c) **Base point pricing:** base point policy is characterised by partial absorption of the transport cost by the company.
- 6. Administered price:** administered price is define as the price resulting from managerial decision, and not on the basis of cost, competition, demand etc.

7. **Dual pricing:** under this dual pricing system, a producer is required compulsorily to sell a part of his production to the government or its authorised agency at a substantially low price.
8. **Mark up pricing:** This method is also known as cost plus pricing. This method is generally adopted by wholesalers and retailers.
9. **Price lining:** this method of pricing is generally followed by the retailers than wholesalers. This system consists of selecting a limited number of prices at which the store will sell its merchandise. Pricing decisions are made initially and remain constant for a long period.
10. **Negotiated pricing:** it is also known as variable pricing. The price is not fixed. The price to be paid on sale depends upon bargaining.
11. **Monopoly pricing:** monopolistic conditions exist where a product is sold exclusively by one producer or a seller. When a new product moves to the market, its price is monopoly price.
12. **Oligopolistic pricing:** oligopoly is a competitive market situation and the presence of a few large sellers, who compete for larger market share. The price differentials are, in brief:
 - a) **Trade discounts:** trade discount or functional discount is allowed in the form of deductions from the list price.
 - b) **Quantity discounts:** quantity discount is allowed to encourage a buyer to purchase in bulk.
 - c) **Cash discount:** it is concession or deduction given to the consumer by the seller for remitting the bill within the specified period of time.
13. **Competitive bidding:** Big firms or the government calls for competitive bids when they want to purchase certain products or specialised items.

Objectives of the study:

- To analyse the pricing strategies towards apparel segments among retailers, Sri Ganapathy silks in Sankarankovil.
- To identify the awareness level towards pricing policies and methods among consumers.
- To examine the consumers' opinion towards approaches of price fixation among various segments in apparel retailing.
- To identify the factors which influences pricing policy, leads to consumers' satisfaction.
- To evaluate the satisfaction level of consumers' towards price adaptation of products among apparel retailers Sri Ganapathy silks in Sankarankovil.

Research Methodology:

Research design: Descriptive research

Sources of data collection:

- Primary data
- Secondary data

Sampling Method: Non Probability Sampling

Sampling Technique: Convenience sampling method

Statistical tools:

- ❖ Uni-Variate Percentage Analysis
- ❖ One way Anova
- ❖ correlation
- ❖ Weighted Average Analysis

Sampling Unit:

The researcher considered the workers who are all permanent among spinning mills in Rajapalayam as the sampling unit for this study.

Sample Size:

The sample considered for this study is 442.

Data Analysis and Discussion:

Table 1.1: Demographic Profile of Workers

Particulars		No. of Respondents	Percentage (%)
Gender	Male	290	65.6
	Female	152	34.4
Marital Status	Single/Unmarried	181	41.0
	Married	261	59.0
Age Group	Below 18 years	24	5.4
	18-25 years	125	28.3
	25-35 years	42	9.5
	35-45 years	119	26.9
	Above 45 years	132	29.9
Education Qualification	Up to school level	190	43.0
	Diploma	60	13.6
	Under graduate	84	19.0
	Post graduate	72	16.3
	Others	36	8.1
Monthly Income	less than 15000	156	35.3
	15000-25000	46	10.4
	25000-35000	26	5.9
	35000-45000	50	11.3
	more than 45000	58	13.1
	Others	106	23.9
Coming from	City	132	29.9
	Village	191	43.2
	Town	119	26.9
	Other	0	0
frequency of purchasing	once or twice or year	64	15.7
	less than once a year	41	10
	once in 6 month	228	55.9
	once every 2-3 months	75	18.4

enter the store	Good	168	38.0
	Better	120	27.1
	Bad	154	34.8
	Others	0	0
know about the store	Through Promotional Offer	48	10.9
	Through Family & Relative	288	65.2
	Direct Visit	48	10.9
	Through Advertising	36	8.1
	Others	22	5.0

Source: Primary Data

Demographic Profile of Workers

- ❖ 65.6 % of the respondents were male and 34.4 % of the respondents were female.
- ❖ Majority of the respondents were above 45 years (29.9%) followed by 18-25 years (28.3%), 35-45 years (26.9%), 25-35 years (9.5%) and less than 18 years (5.6%)
- ❖ Majority of the respondents were up to school level (43.0%) who worked in spinning mills.
- ❖ Majority of the respondents were earning between less than 15000 (35.3%).
- ❖ Majority of the respondents were coming from village (43.2%) in Sri Ganapathy Silks.
- ❖ Majority of the respondents were known about the store (65.2%) of through the family and relatives.

Table 1.2: Uni – variate Percentage Analysis

Particulars		No. of Respondents	Percentage (%)
purpose to buy cloths	Wedding	144	32.6
	Birthday	60	13.6
	Festival	84	19.0
	Promotional Offers	130	29.4
	Others	24	5.4
spend on purchase in textile	Below Rs. 5000	223	50.4
	Rs.5000-10000	72	16.3
	Rs.10000-15000	113	25.6
	Rs.15000-20000	28	6.3
	Above 20000	6	1.4
explanation given by the store	Excellent	168	38.0
	Very Good	108	24.4
	Good	83	18.8
	Average	59	13.3
	Poor	24	5.4
opinion about the price level	Very High	143	32.4
	High	167	37.8
	Average	60	13.6
	Low	48	10.9

	Very Low	24	5.4
family prefer to go the textile	Kids	60	13.6
	Parents	108	24.4
	Aged People	180	40.7
	Young Steers	94	21.3
pricing policy in this textile	Strongly Agree	60	13.6
	Agree	71	16.1
	Neutral	191	43.2
	Disagree	60	13.6
	Strongly Disagree	60	13.6

Source: Primary Data

Inference:

Based on the Uni – variate analysis, the researcher infers that

- ❖ Majority of the respondents (32.6%) are purpose to buy the cloth in wedding.
- ❖ Majority of the respondents (50.4%) are spent on purchase on textile.
- ❖ Majority of the respondents (38%) are excellent that explanation to given the store.
- ❖ Majority of the respondents (37.8%) are high to given the opinion about the price level in Sri Ganapathy Silks.
- ❖ Majority of the respondents are (40.7%) aged people are family to prefer to go the textile.
- ❖ Majority of the respondents (43.2%) are pricing policy in this textile in Sri Ganapathy Silks.

Correlation

- Relationship between Monthly Income and Spend On Purchase In Store By Using Correlation
- Null Hypothesis: Negative correlation between the respondents' exists among income and spends on purchase in sri ganapathy silks.
- Alternative Hypothesis: positive correlation between the respondents' exists among income and spends on purchase in sri ganapathy silks.

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.044	.047	.918	.359 ^c
Ordinal by Ordinal	Spearman Correlation	.043	.048	.905	.366 ^c
N of Valid Cases		442			

Inferences:

Positive correlation between the respondents' exists among income and spends on purchase in Sri Ganapathy silks.

One way ANOVAs

➤ Relationship between Gender Group and perceive regional competitive advantages Satisfaction towards Purchasing the Pricing Policy Sri Ganapathy Silks by Using one way ANOVAs

- Null Hypothesis: There is no significance difference between the respondents' gender group and perceive regional competitive advantages satisfaction towards sustaining to purchasing the pricing policy sri ganapathy silks, Sankarankovil.
- Alternative Hypothesis: There is significance difference between the respondents' gender group and perceive regional competitive advantages satisfaction towards sustaining to purchasing the pricing policy sri ganapathy silks, Sankarankovil.

GENDER	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.066	4	.267	1.181	.319
Within Groups	98.662	437	.226		
Total	99.729	441			

Inferences:

There is significance difference between the respondents' gender group and perceive regional competitive advantages towards sustaining to purchasing the pricing policy sri ganapathy silks, Sankarankovil.

SUGGESTION

- The organization can improve more variety of designs and materials.
- The customers are not satisfied with the parking facilities. The organization may provide relevant space for parking facilities.
- Most of the respondents are expecting reduced price, the organization may reduce the price of variety of materials.
- The store may concentrate on conduction contests/game.
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CONCLUSION

- The objective of the study was to find out the Pricing Strategies towards Apparel Segments among Retailers, Sri Ganapathy Silks In Sankarankovil. At the end of our discussion, it is concluded from the research that they position their products in the customer's mind by creating competitive advantage through price, quality design etc., From the study it is concluded that it has created a very good external image and overall satisfaction for itself by providing

product quality, discount offers, gift articles and gift vouchers most if the respondents agree towards buy more materials in Ganapathy silks in the next few years and most of the respondents are having medium opinion towards satisfaction level of price and readymade. Understanding the relationship between price and customer the organizational commitment gives basis for future research and provide benefits to organization and individual.

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