

A STUDY ON CUSTOMERS' PREFERENCE OF SAMSUNG TELEVISION WITH SPECIAL REFERENCE TO VASANTH & CO, ULLAGARAM BRANCH, CHENNAI

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Abstract: This report studies the customer preference towards price of SAMSUNG TV. Primarily the well defined objectives are framed according to the study then questionnaire is prepared based upon it directly. The prepared questionnaire is used to get the response from the customer. The response given by the Consumer are analyzed and interpret using different type of statistical method such as percentage analysis.

The process solution for a problem after a through study and analysis of the situational factors. Descriptive research includes surveys and facts finding enquiries of different kinds. Primary data consists of original information Collected for specific purpose. Secondary data consists of that already exists somewhere having been collected for some other purpose.

INTRODUCTION

Introduction of the Study

Customers are informed and remainderd about the products and are requested and persuaded to purchase their products. Such communication may be made their along the product or well in advance of the introduction of product into the market. Such communication becomes necessary when a new product or service is introduced in the market or an old product is improved or it is simply to increase the sales of the products.

Consumers normally implement preferences when they go for comparing different alternatives and choices. Preference based on scientific evaluation is always a reasonable one. Real- life marketing primarily revolves around the application of a great deal of common-sense dealing with a limited number of factors, in an environment of flawed information and limited resources complicated by vagueness. Use of traditional marketing techniques, in these circumstances, is inevitably partial and unequal. Now a day the role of marketing has becoming an essential part for any product.

Marketing plays the pivotal role after establishing target specification, concept generation, and concept selection through concept screening matrix and concept scoring matrix, and finally testing of concept selection. Marketing has been comprehensively classified into two categories such as product selling and concept selling.

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The Indian Television industry is going through turbulent transformation. Companies are relooking at their strategies and are desperate for growth. The entrenched position of the Indian market leaders in CTVs' like Videocon, BPL and Onida has been challenged by the MNCs such as Samsung, LG, AIWA, Akai, Panasonic, Sony, Philips and Sharp; some in a perceptible way and others threatening to do so. The changing environment demands fresh thinking to gain the cutting edge advantage. This paper attempts to look at the various macro and micro environmental factors operating in the industry using the model of strategic analysis by George Day, i.e. to analyse the bargaining power of buyers and suppliers, the threat of new entrants, threat of substitutes, intensity of rivalry, impact of technological changes, growth and volatility of the market and the influence of government and regulatory interventions. These variables affecting the industry have been categorised as favourable or adverse depending on the influence on the profitability of the industry. Some strategic initiatives, which can be adopted, to leverage the favourable forces and prevent the adverse ones have been identified.

INTRODUCTION AND OVERVIEW

In the last five years colour television industry (CTV) has witnessed drastic changes in the intensity of competition. Exchange schemes, free gifts, price offs, prizes, deferred payment schemes and other incentives as promotional tools have been deployed by the players, which certainly have made the market, vibrant and pulsating. A major factor contributing to the growth has been availability of consumer financing schemes. Concomitantly, the industry has been witnessing a new scenario with a new market profile. The entrenched position of the Indian market leaders in CTVs' like Videocon, BPL and Onida has been challenged by MNCs such as LG, Samsung, Sony, Philips, AIWA, Akai, Panasonic, Sansui and Sharp; some in a perceptible way, others threatening to do so. The industry is going through turbulent transformation. Companies are relooking at their strategies and are desperate for growth. This paper attempts to analyze the various macro and micro environmental factors operating in the industry to provide a basis for devising strategy.

Competitor Analysis

A detailed analysis of some of the major players is done below:

LG ELECTRONICS

LG Electronics rightly understood the consumer motivations to create magnetic products, price them strategically, position them sharply and keep making the magnetism more potent. Having understood the finer differences in consumer motivations, it opted for sharp arrow 'reasons-to-buy' differentiation over the 'blanket-all approach' taken by most of the other players. It is an aggressive marketer. It focuses on low and medium price products.

ONIDA (MIRC ELECTRONICS)

Its popular devil ad although had engendered a strong emotional pull towards the brand, technologically it represented no advancement. The company plugged the gap by touting its

digital technology. Like Videocon, it has also been able to hold its market share. The world-class quality of Onida has enabled the company to make a breakthrough on the export front. Onida is a leading brand in Gulf market and also exports its models to Africa, Bangladesh, Sri Lanka and Nepal. It has technical tieup with the Japan Victor Company, better known as JVC. So focused is Onida on positioning itself on the premium, high-tech plank that it is even planning to push its own envelope on obsolescence, much like Intel has been doing in its own industry. The strategy is aimed at further broad basing the product offering of the company, which has largely dominated the top-end of the television market, across multiple market segments.

VIDEOCON

Videocon has always been a price player and has an image of a low price brand. This entails providing more features at a given price vis-à-vis competitors. It has taken over multinational brands to cater to unserved segments, like Sansui- to flank the flagship brand Videocon in the low to mid priced segment, essentially to fight against brands like BPL, Philips, Onida and taken over Akai- tail end brand for brands like Aiwa. Videocon is one of the largest manufacturers of television and its components in India and thus has advantages of economies of scale and low cost due to indigenization. It has the widest distribution network in India with more than 5000 dealers in the major cities. It also has a strong base in the semi-urban and rural markets.

Due to its multi-brand strategy, it has at present multiple brands at the same price point. This has led to a state of diffused positioning for its brands. It has also led to a cannibalisation of sales among these brands. The flagship brand Videocon has lost market share due to the presence of Sansui in the same segment. Because of reduction in import duties on CPT the cost advantage of Videocon is also on the decline. Hence it is facing rough weather and also trying to boost exports.

Industry Growth

The industry has been witnessing robust demand; fuelled by revival in economy, increase in individual disposable income and liberal incentive schemes by banks and financial institutions. The demand for CTV grew at 15% during 1985-89 but witnessed a slump from 1990-94. With the entry of MNCs and thereby aggressive marketing, the period between 1995-96 to 1999-00 saw a surge in growth rate to 29%. Thereafter the market has been growing but at a decreasing rate due to increasing penetration and near saturation in urban households (Exhibit 4). This is in spite of the fact that CTV penetration in India is as low as 23%, more so in rural markets and hence has potential for growth (Exhibit 5). According to the Francis Kanoi report "CTV in India in 2010", the possible demand for CTVs in India in 2010 is likely to be at least 18.2 mn or 12 mn in the worst scenario. This figure is not very far from that in Europe with a market size of 30 mn sets and China at 24 mn sets as of 1999. It has been further predicted that if power ceases to be an impediment in the growth of CTV market, especially in the rural sectors, a GDP growth of 7% could take the CTV demand in

2010 to 20 million. The report also assumes that economic expansion will lead to increase in prosperity levels down the income strata and the technological advances in transmission, reception etc. will compel replacement (Financial Express, 2001).

Amongst Smart TV owners, over one third (36%) have a Sony, followed by Samsung (33%) then Panasonic (16%). However, almost two-thirds (62%) of people planning to purchase one in the next 12 months are considering Samsung followed by Sony (48%) and Panasonic (40%).

Product Differences & Brand Identity

In a competitive environment substantial investments in brand building becomes a necessary condition for survival as it is the value and perceptions related to the brand that act as differentiators. Onida launched 14" TV sets named "Candy" with coloured cabinets. The product is essentially customised for the 12-25 year olds who are increasingly looking out for personalized products to cater to their tastes.

Threat of Entry

Threat of entry is determined by the entry barriers, which act to prevent new firms from entering the industry. A lower entry barrier makes it difficult for the existing producers to remain profitable for long. When profits increase, additional firms will enter the market to take advantage of the high profit levels and over time drive down profits of all firms in the industry. When profits decrease, some firms will exit the market, thus restoring the market equilibrium. Barriers to entry arise from several sources:

Access to Distribution Channels

A strong distribution network is absolutely essential to compete in this industry. Not only does it guarantee a country wide reach for a company's products but is also necessary for providing good after sales service. LG Electronics sells in 1800 towns and cities with a population of 1,00,000 and above. Samsung also has a widespread service network, which includes 123 exclusive service centres and 200 distributors in any town with more than 1 lakh population. All BPL dealers are linked via VSAT nodes, ensuring online availability of information on inventory status and sales movement. Videocon has implemented ERP system, which helps in integrating the manufacturing, marketing, procurement and distribution services with the corporate office. BPL's distribution network is a combination of 37 C&FAs, 33 Branch Offices, above 300 Service Centres with 400 sales personnel across product groups working to reach over 2500 dealers and distributors. Distribution hence is difficult and costly as established firms dominate distribution. Large incentives are required to gain entry into the distribution channels and further gain recommendation to retailers from the dealers. As exhibit 7 shows, market leaders LG and Samsung have highest sales per dealer and hence gain crucial competitive advantage over their rivals.

NEED AND SCOPE OF THE STUDY

Need of the Study

The study helps us to know the customer preference towards price on Samsung Tv. It also necessary to know the preference of the customers and to analyse the reason for the importance of Samsung TV and it deal with various factors affecting the TV preference of the customer. The result of this study will be more helpful to the organization to know customer preference.

Scope of the Study

Customer preference is an important factor in marketing environment. The purpose of the study has been undertaken to find the customer preference towards price on Samsung TV. The companies with towards existing marketing strategies need to be changed in a manner to such that with its rapid changing in the competitive environment. So the strategies should targeted towards customers in the wide market.

RESEARCH METHODOLOGY

Research Design

Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

Source of Data

Data refers to information or facts. The two main sources of data for the present study are primary data and the secondary data.

Primary Data

Primary data consists of original information collected for specific purpose. This project relied on the response of the employees. Structured undisguised questionnaire was used to collect the primary data.

Secondary Data

Secondary data consists of information that already exists somewhere having been collected for some other purpose. The secondary data is obtained from the company data base, textbooks, internet and journals.

Sampling Plan

Target Population

Population or universe can be defined as the complete set of items, which are of interest in any particular situation in case of population data is collected from each and every unit.

Sample Size

In important decision that has to the sample means the number of sampling units selected from the population for investigation. It answers “how many people should be surveyed”. Here the sample size is fixed as 16

Sampling Technique

Data on the various aspects directly and indirectly related to the investigation gathered through questionnaires to the respondents. The questions were necessary to ensure the reliability of the information. The questions were simple to understand and to contain the choice of questions of means simple alternative choice etc..., so that information should be collected from various respondents.

Tools Used for Analysis

SPSS20.0 was used for statistical analysis of data, to obtain finding. After the tabulation of data the tools provide a scientific and mathematical solution to a complex problem. The test used are

- o Percentage analysis

Chart

Bar charts are used for analysis to get clear idea about the tabulated data.

Percentage Analysis

Percentage analysis shows the entire population in term of percentages. It reveals the number of belonging is a particular category or the number of people preferring a particular thing, etc., in terms of percentage. In this study, the number of people who responded in a particular manner is interpreted in the form of percentages.

DATA ANALYSIS AND INTERPRETATION

Table 1
Customer Perception on Samsung TV Price

<i>options</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
High price	3	18.8	18.8	18.8
Reasonable price	11	68.8	68.8	87.5
Low price	1	6.3	6.3	93.8
Very low price	1	6.3	6.3	100.0
Total	16	100.0	100.0	

Inference

The above diagram implies that 19% of respondents opinion high price, 69% respondents says reasonable price, 6% respondents says low price, 6% respondents says very low price is the feel about Samsung TV price.

Table 2
Comparison of Samsung TV price between Vasanth & co and other showroom

<i>Options</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid percent</i>	<i>Cumulative percent</i>
High price	5	31.3	31.3	31.3
Same price	8	50.0	50.0	81.3
Low price	2	12.5	12.5	93.8
Very low price	1	6.3	6.3	100.0
Total	16	100.0	100.0	

Inference

The above diagram implies that the opinion of respondent on price of Samsung T.V between VASANTH & Co and other showroom is 31% of high price, 50% of reasonable price, 13% of low price, 6% very low price.

Table 3
Customer satisfaction level regarding samsung TV price

<i>Opinion</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
No	2	12.5	12.5	12.5
Yes	14	87.5	87.5	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 87% of respondents says yes, 13% respondents says no for satisfied with price of Samsung TV.

Table 4
Pricing Strategy of Samsung TV Followed In Vasanth & Co

<i>Opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
VASANTH & Co price	16	100.0	100.0	100.0

Inference

The above diagram that implies that 100% of respondents says the VASANTH & Co is follow our own pricing strategy.

Table 5
Customer awareness level regarding credit facility provided in vasanth & co

<i>Opinion</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
yes	16	100.0	100.0	100.0

Inference

The above diagram that implies that 100% of respondents says they are aware of credit facility provided by VASANTH & Co.

Table 6
Benefits of customer regarding 0% interest credit facility provided by Vasanth & co

<i>Opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
no	5	31.3	31.3	31.3
yes	11	68.8	68.8	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 69% of respondents says yes, 31% respondents says no for the 0% Interest credit facility provided by VASANTH & Co useful.

Table 7
Awareness of Price Discount for Samsung TV Product In Vasanth & Co

<i>opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
No	6	37.5	37.5	37.5
Yes	10	62.5	62.5	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 63% of respondents says yes, 37% respondents says no for they are aware of the price discount for Samsung TV in VASANTH & Co.

Table 9
Opinion regarding price of Aadi offer

<i>Opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Low	6	37.5	37.5	37.5
Same	10	62.5	62.5	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 38% of respondents says low price, 62% respondents says same price is the price of Aadi sales.

Table 10
Comparison of price between Samsung TV & Other brand TV

<i>Opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
High price	6	37.5	37.5	37.5
Same price	6	37.5	37.5	75.0
Low price	4	25.0	25.0	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 37% of respondents says high price, 38% respondents says same price, 25% respondents says low price is the price of Samsung TV when compared to other brand TV's.

Table 11
Price worthiness of Samsung TV

<i>Opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
No	1	6.3	6.3	6.3
Yes	15	93.8	93.8	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 94% of respondents says yes, 6% respondents says no for price worthy for Samsung TV.

Table 12
Customer price expectation on Samsung Tv in Vasanth & co

<i>Opinion</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Yes	16	100.0	100.0	100.0

Inference

The above diagram that implies that 100% of respondents says for the price of the Samsung TV in VASANTH & Co is do same as they are expectation.

Table 13
Reason for choosing Samsung TV

<i>Opinions</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
After service	1	6.3	6.3	6.3
Features	5	31.3	31.3	37.5
Brand name	6	37.5	37.5	75.0
Price	4	25.0	25.0	100.0
Total	16	100.0	100.0	

Inference

The above diagram that implies that 6% of respondents says after service, 31% respondents says features, 38% respondents says brand name, 25% respondents says price for the reason for choosing Samsung TV.

FINDINGS

- ✓ Majority (69%) of the respondent feel the Samsung TV price is reasonable.

- ✓ Maximum (50%) respondents says, other showroom price and VASANTH & Co price is same.
- ✓ Majority (88%) of the respondents satisfied the Samsung price.
- ✓ Majority of respondents says, the VASANTH & Co follow our own strategy.
- ✓ Majority of the respondents aware; the credit facility provides by VASANTH & Co.
- ✓ Maximum respondents is says 0% interest credit facility is useful.
- ✓ Maximum of the respondents aware of the price discount.
- ✓ Majority of the respondents says, the Aadi sales price is same.
- ✓ The majority of respondents feel, the Samsung TV price is comparatively high.
- ✓ The majority of the respondents feel the Samsung TV price is worthy.
- ✓ Majority of respondents says the VASANTH & Co is fulfilling the customer price expectation.
- ✓ The majority of customer is purchase Samsung TV for Brand name.

SUGGESTIONS

- The majority of respondents Samsung TV purchase based on the Brand Name.
- The maximum respondents feel, the Aadi sales price and ordinary price same. So, the company show different in the price.
- The company should reduce the price of Samsung TV because, The majority of respondents feel that the comparatively high. So, the price to reduce.
- The company should offer some gift to encourage the customer at the time of purchase.

CONCLUSION

Nowadays so many television competitors in the current scenario, according to their brand name the price will be differentiated, due to different pricing strategy follow. The customers are expecting the pricing strategy such as Aadi sale price, gift voucher, replacement offer etc. for motivating the customer and retaining the customer, to follow the strategy for sales promotional activity. To satisfy the customer needs and wants to retain the customer

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