



A STUDY ON CUSTOMER AND RETAILER ATTITUDE WITH SPECIAL REFERENCE TO “SHRI LAKSHMI AGRO FOODS PRIVATE LIMITED [UDHAIYAM]” CHENNAI, TAMILNADU

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Abstract:

Today's customer has various choices around him and he is rightly referred to as the king in business. The customer's positive attitude towards products and services is definitely needed by the companies if they want to achieve the desired result. Or else he will shift to their competitor's products and services. The company needs to be the best in this era of cut throat competition. Along with customers support the distribution network is also a must. Retailers are very important link that connects the manufacturers and the consumers. They help in better customer relationship. Retailers help in increasing the company's profits and preference towards products. They are the last link and the crucial link in reaching out the products of the companies. Therefore their positive attitude is also a must for the company. This study mainly focus on understanding the Customer and Retailer attitude with special reference to “Shri Lakshmi Agro Foods Pvt. Ltd [Udhaiyam]”. Descriptive research design was adopted and the data is collected through primary and secondary sources. The method adopted for conducting survey is questionnaire. Hypothesis testing was used in the form of Z test for Proportion was done. This study is also done to understand Customer and Retailer's awareness towards Udhaiyam brand products. The data collected has been analyzed in the form of charts and percentages. Conclusions, based on the outcome were drawn and decisions were taken about the said objectives where drawn. Customer And Retailer's are aware of Udhaiyam brand products, Majority of Customers are familiar with Udhaiyam products because of advertisement and Advertisement of Udhaiyam products does not affect the sales of retailers because retailers get benefits in their sales even without advertisements..Customer is no more loyal in today's scenario, Hence the company needs to retain customers by knowing their attitude towards that particular product. Company need to focus on satisfying the retailers in selling Udhaiyam products as they are the valuable assets to the organization.

Index Terms: Consumer and Retailer Attitude, Competitive Analysis & Familiarity

1. Introduction to the Concept:

Customers' attitudes towards marketing activities are significant from theoretical and managerial view point. Consumer attitude can be tested for advertising and pricing which is essential for marketers. Consumer attitudes are something that marketers cannot ignore. Being sometimes as disadvantage it usually is a great advantage to know consumer attitudes. The companies while developing their marketing strategies cannot ignore the consumer's attitude towards their products or services. A positive attitude of the consumers towards their products or services guarantees business success. While the companies develop their strategies marketers should consider the beliefs, attitudes and behaviours' of their consumers. An attitude is an evaluation of a product or service formed over time. An attitude not just satisfies personal intention but affects the shopping and buying patterns of consumers [1]. Attitudes are formed over time which includes beliefs, feelings and buying intentions

towards some object. Attitudes can be positive or negative about a company, products and services.

Consumers form attitudes due to their personal experience. Others experiences also influences the consumer's opinions. The functional theory of attitudes developed by Daniel Katz explains four possible functional motives of attitudes to consumers. The utilitarian function is the first one which says that the consumer's attitude is based on the utility that a consumer gets. The second one is value expressive function which says that consumer bases the attitude of companies or their products and services on the central values. The association a product or a service that is there in consumers mind should match with consumer's value system or social system [4]. The next one is ego defensive function where a consumer relates the product or service with his or her self image. The ego defensive attitude is most difficult to alter or change. The last one is knowledge function where attitudes are formed based on knowledge, facts and real world information. Irrelevant marketing campaigns are ineffective for this group of consumers.

Another famous theory of attitude is ABC model of attitudes given by Solomon who highlights three components: affect behaviour and cognition which explains the relationship between knowing, feeling and doing. Changing consumers attitude towards a product or service means changing the affect, behaviour and beliefs. Changing beliefs is the most difficult for the marketers but it is needed when the companies are in re modification stage. By this we can say that attitudes are easy to formulate but difficult to change once formed. Marketing is a never ending process and companies are in the process of bringing positive attitude of the consumers towards their products or services [3].

Attitudes are influenced by many factors as well. Other environmental forces like demographic, geographical, social and psychographic factors do help in building attitudes. An intelligent marketer builds up attitudes for prospective customers based on existing satisfied customers. The study of attitudes is important to understand the decision process and strategies taken by consumers. It also helps in deciding the communication strategies of the companies.

2. Retailer's Strategy:

Retailers are a crucial link in distribution channels. As a part of channels of distribution they provide an important service of transfer of ownership and possession of products and services. For the smooth and continuous flow of goods and services from the manufacturers to the consumers they are an important link. Retailers play an important role to achieve the marketing objectives of a firm.[2] Value utility, place utility and time utility is created in this process. But the biggest advantage is the customer service and customer relationship is created and maintained. If the companies check and keep the retailers on their side it just goes to add on a higher market share. It also adds profit in the form of reduction in distribution cost for the company's products and services. Retailers provide their services to consumers for their individual, family or household purposes. They collect varieties of products from various suppliers and manufacturers. They communicate with other channel members, customers and manufacturers. They store, mark, advertise, ship and give credit. Though the average sales transaction is not big but many customers make a lot of unplanned purchases and therefore finally volumes are achieved by retailers since many customers visit retail outlets.

Every retail company has their own retail strategy. It is the overall plan which helps the firm. Strategies done by retail organisations should be unique and should be

difficult for other organisations to copy. The retailer's attitude should be one that is customer oriented giving total retail experience. [5] Building customer service and relationship is crucial in today's competitive environment. Tangible and intangible aspects have to be kept in mind while giving retail experience and customer service. Some factors are controlled elements and some are not. The expected services and augmented services is a part of customer services. Creating long term bond with customers is the objective of customer relationship management in retailing.

Retailing as a concept can be understood as institutional, functional and strategic way. But the main aspect is how the firms change themselves as per environmental demands. Retailers are part of a structured and inter connected system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through whole sellers, and then sells in smaller quantities to the consumer for a profit. Retail Sector can be classified in to two segments- organized segment and unorganized segment. Organized segment in India constitutes a meager 3%. [8]

3. Company in Discussion:

Shri Lakshmi Agro Foods private Limited is the leading consumer food product companies. It has more than 75 years of business experience. One of their popular brands is Udhaiyam. They are leading manufacturers and marketers of household food products. Their annual turnover exceeds 40 million US dollars. They never compromise on quality which they believe is the success mantra. They also engage in exporting activities. The company never compromises on quality with respect to food products. The company follows the specifications led by FPO. From the pre processing to packaging they are very particular about quality. By using the latest technology they have unmatched quality. They confirm to the food safety and quality assurance as per world standards. They have no chemical additives and preservatives and safe products which are healthier as well as delicious which can be used for all age groups.

The company serves both domestic and international consumers on various home care products and food care products. Their business is more profitable, sustained growth and has a competitive edge. They deal with products like pulses, semi cooked food products, basic spices and other products. They have a range of value-added product range of ready to eat food varieties. They have recently added non food ranges with brand name fast with home care segments which has lots of innovative and new products.

4. Research Design:

Research is a purposive investigation, a kind of organized inquiry. It tries to explain unexplained phenomenon. A research design is a very important component of research which explains objectives and methodology of research. It gives the detail procedure of doing the research. It basically lays down the foundation for doing research. The methodology includes the sample method, data collection method and analysis methodology.

The primary objectives of this study were to study the customer's attitude towards Udhaiyam brand products and to study the retailer's attitude towards Udhaiyam brand products. The other objectives were to do Competitive analysis of Udhaiyam Brand and to find most effective medium of Advertising for this brand. The research methodology includes planned questionnaire followed by observation and other secondary data available in the form of publication research. The study includes the method of descriptive research. This research is connected with measuring and analyzing the Descriptive research is concerned with measuring and estimating the frequencies with which things happen or the level of r association between different

variables. It aids in measuring the market size, structure of market, attitudes and behaviour of consumers in the market.

Primary data was collected in the form of questionnaire where a formal set of questions were asked to elicit information from the respondents that would aid in achieving the objectives of the research. It measures consumers and retailers attitude towards the brand and its products. Websites, magazines and different documents was also considered for general understanding of the phenomenon. The sampling method is also important part of research design where a representative portion of the population was studied for analysis. Simple Random sampling technique was adopted and the study was confined to 60 respondents. The data collected was analysed using percentages and mean averages. Z test for proportions was adopted for one group proportion. Z test for proportions can be used when sampling method is simple random and each sample point can result in just two possible outcomes [7].

Test Statistic: One Group Proportion

$$Z = \frac{\hat{p} - p}{\sqrt{pq/n}}$$

\hat{p} = sample proportion

p_0 = hypothesize population proportion

n = sample size

5. Competitive Analysis of Shri Lakshmi Agro Foods Private Limited:

Competitive analysis is very essential in this era of competition. Irrespective of the sector this is done across all organizations. To stand out and be visible it's first very important to understand and analyse the competitors. In this competitive and fast paced changing environment overlooking the competitors will make the companies lose out their market share. All companies look out to get a competitive advantage in the industry. With strong understanding of the competitors it will help in better decisions for the marketing strategies of the companies. [6]

The basic reasoning for studying the competitors is to bring out the strengths and weaknesses of their competitors so that they can fight with the threats the competitors are offering and use the opportunities which competitors are neglecting. It is not just about comparing the products of each other but comparing the companies as such.

When companies do competition analysis the first step goes about in determining who their competitors are. It also involves trying to study the companies' objectives and strategies adopted by companies helps in better analysis. Information for competition analysis can be got from various recorded and observed data. . Competitive analysis is usually done by an unbiased third party.

Competitive analysis in Udhaiyam is done by collecting and studying information about competitors, their practices, products, strengths and weaknesses and assessing their position in the market and trying to enhance companies' products and marketing strategies. This gives the company a realistic understanding of their competition and this data is used in areas like customer understanding and in deciding advertising strategies. The company believes that by competitive analysis the company gets a realistic understanding of the competitors. It helps predict market demand and changes expected by consumers. It also helps in pulling customers from competitors' brands. It helps in identifying opportunities to improve company's business practices. It also gives ideas for company to change the company process in meeting market demands and reducing costs.

6. Results and Discussion:

Based on the research these were the main findings for consumer attitude towards Shri Lakshmi Agro Foods Pvt. Ltd [Udhaiyam]. 100% of the respondents are aware about the product and hence we could infer that the brand popularity is quite high and product is very much familiar among the target group. This is a good sign as awareness level is full. Majority i.e 32% of the respondents got to know about the product through Friends. Reference groups are an important aspect in consumer behaviour. Influence of friends and relatives in awareness and purchasing products is there. 58% of the respondents purchase the product on a monthly basis. 48% of the respondents purchase the product from General stores. Unorganised retailing is a big aspect atleast for products in the category of groceries and home care products. 97% of the respondents consider Udhaiyam Products advertisement familiar. Promotional messages have to be strong and communication from the companies has to be strong. But just because of the advertisements people do not change their attitude always. 95% of the respondents consider have not brought any change in their attitude on Udhaiyam products advertisements. 44% of the respondents are familiar with more than 9 variants of this brand. 78% of the respondents use Udhaiyam dhal frequently. 38% of the respondents gets influence to buy Udhaiyam Products from family. 50% of the respondents are satisfied with the product. 63% of the respondents choose Udhaiyam Products based on Quality. 51% of the respondents consider Udhaiyam Products Price range as very good. 55% of the respondents consider Udhaiyam Products Quality range is very good. 55% of the respondents consider Udhaiyam Products Brand Image is very good. 60% of the respondents consider Udhaiyam Products Availability is very good. 52% of the respondents consider Udhaiyam Products. 52% of the respondents strongly agree that Udhaiyam products promotion tools like advertisements, hoardings, in store posters etc helpful in increasing the brand awareness and popularity. 65% of the respondents agree that female celebrity can endorse the brand better than the male celebrity for products. 65% of the respondents consider that Udhaiyam Products can be improved further in Quality.

Based on the research these were the main findings for consumer attitude towards Shri Lakshmi Agro Foods Pvt. Ltd [Udhaiyam]. 63% of the respondents are from grocery shop. 100% of the respondents are aware about the product and hence we could infer that the brand popularity is quite high and product is very much familiar among the target group. 77% of the respondents keep stock of Udhaiyam brand products. 47% of the respondents keeps stock of Udhaiyam Dhall of Udhaiyam brand products. 72% of the respondents are satisfied with Udhaiyam's supply chain of products. Supply chain is an important aspect of distribution network. 75% of the respondents get Udhaiyam Products from distributors. 47% of the respondents sell more than 6 Udhaiyam Products per day. 58% of the respondents consider Udhaiyam Products Quality range is very good. 53% of the respondents consider Udhaiyam Products Brand Image is good. 47% of the respondents consider Udhaiyam Products Availability is very good. 60% of the respondents consider Udhaiyam Products Packaging is good. 45% of the respondents consider Udhaiyam Margin is good. 44% of the respondents consider Udhaiyam Replacement is very good. 53% of the respondents are interested in distribution of Udhaiyam products. 52% of the respondents are interested in opening Udhaiyam products store. 42% of the respondents consider Udhaiyam Products can be improved further in Price. 43% of the respondents consider that the sales promotional activities do the company undertake for Udhaiyam Products is free samples. 60% of the respondents consider that the type of scheme's provided by

Udhaiyam attracts is Monopoly Discount. 1% of the respondents consider that only 1 times shortage was faced of Udhaiyam Products in a season. 50% of the respondents consider that Udhaiyam sort out your problem within 2-3 days. 53% of the respondents say that the advertisement of Udhaiyam Products affects the sales of your outlet.

7. Hypothesis Testing: (Customer)

For this survey sample size is 60.

'Z' test for Proportion

Null and Alternative hypothesis are:

H0: Advertisement of Udhaiyam products does not have a familiarity among Customers.

H1: Majority of Customers are familiar with Udhaiyam products because of Advertisement.

$$H_0: P = 0.5$$

$$H_1: P > 0.5$$

$$Z = \frac{\hat{p} - P}{\sqrt{pq/n}}$$

$$\text{Where } \hat{p} = 58/60 = 0.96, P = 0.5, Q = 1-P = 0.5, n = 60$$

$$Z = (0.96 - 0.5) / (\sqrt{0.0041}) = 0.46 / 0.064 = \underline{7.18}$$

$$Z_{\alpha} = 1.65$$

Calculated value > Table value

Therefore, Reject H0 and Accept H1 because it falls above the confidence level / falls under rejection region. Advertisement of Udhaiyam products has created a familiarity among Customers.

So, can say that Majority of Customers are familiar with Udhaiyam products because of Advertisement.

8. Hypothesis Testing: (Retailer)

For this survey sample size is 60.

'Z' test for Proportion

Null and Alternative hypothesis are:

H0: Advertisement does not have a significant difference on sales of Udhaiyam products amongst retailers.

H1: Majority of the sales of Udhaiyam products amongst retailers is because of Advertisement.

$$H_0: P = 0.5$$

$$H_1: P > 0.5$$

$$Z = \frac{\hat{p} - P}{\sqrt{pq/n}}$$

$$\text{Where } \hat{p} = 32/60 = 0.53, P = 0.5, Q = 1-P = 0.5, n = 60$$

$$Z = (0.53 - 0.5) / (\sqrt{0.0041}) = 0.03 / 0.064 = \underline{0.46}$$

$$Z_{\alpha} = 1.65$$

Calculated value < Table value

So we can accept H0 because it falls under the confidence level. Advertisement does not have a significant difference on sales of Udhaiyam products amongst retailers. So, we can say that Advertisement of Udhaiyam products does not affect the sales of retailers.

9. Conclusion:

Shri Lakshmi Agro Foods Private Limited is the leading consumer food product companies in India, excellently over 75 years of business expertise and acumen. Customer is no more loyal in today's scenario. Hence the company needs to

retain customers by knowing their attitude towards their particular products. This helps the company to analyse their position when compared to the competitors. As much as customers are important the retailers are equally important. Understanding them also helps the company to be the prominent player in the business world. Company need to focus on satisfying the retailers in selling Udhaiyam products as they are the valuable assets to the organisation. Hence the company needs to retain customer and retailers by knowing their attitude towards Udhaiyam products and improve accordingly.

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