



RETAILERS' PERCEPTION ON PRODUCT
STRATEGIES OF SELECT MINERAL WATER
COMPANIES - A STUDY WITH REFERENCE TO
CUDDALORE DISTRICT

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ABSTRACT

Bottled water production has become very popular after 2000. Before that, only an unimportant percentage of people used to drink still water in bottles. Since there was no tradition producing still water, it was imported from abroad and this was seen as a good opportunity from local companies to produce still water and supply the market on an increasing demand for this type of water, in order to substitute large amounts of imports and create very fast a part of market share that was dominated by international companies. Often, when asked the non-price reason behind their choice for a particular brand of product over another, most consumers will readily shout "Quality". However, one would accept this answer with a lot of ambivalence, given the fact that it is only on rare occasions that consumers would have what it takes to make an objective quality differentiation among alternative product brands. This category of consumers is highly informed and enlightened and their percentage is quite negligible in Tamil Nadu. It therefore follows that, those marketers who know how best to manipulate retailer perception and therefore better position their brand in the minds of the consumers will definitely emerge winners in the marketing warfare. However, given the fact that many elements constitute branding, one is not sure if these elements play equal role in influencing choice or if some play a higher role than others. This is the crux of the problem of this study.

KEYWORDS: Product, Mineral Water Company, Market Segment, Customer Demand, Competitor.

INTRODUCTION

Bottled water production has become very popular after 2000. Before that, only an unimportant percentage of people used to drink still water in bottles. Since there was no tradition producing still water, it was imported from abroad and this was seen as a good opportunity from local companies to produce still water and supply the market on an increasing demand for this type of water, in order to substitute large amounts of imports and create very fast a part of market share that was dominated by international companies. Marketing is the processes through one assess the need of market/customer/user, and provides those services which satisfy the needs profitably. Smith defines that "Marketing is a stance and an attitude that focuses on meeting the need of users. Strategy is the key to successful marketing. Marketing is a management discipline, and it is equally a part of organizational and management philosophy, reflected in attitudes and approaches across the whole organization. Marketing provides the focus for successful organizations. The starting point lies in recognizing the fact that marketing deals with identifying and meeting human and social needs. Further, marketing is a management process because it identifies the customer need and then meets customer requirements product/services efficiently and profitably, and in the whole process strategy plays a more important role, so successful marketing depends upon good strategy.

The essence of marketing strategy is to provide the organization with a suitable competitive advantage in the markets in which it operates. This requires that the organization both understands consumer needs and identifies how those consumers can be grouped into different market segments. The marketing

strategies may be related to its product, pricing, physical distribution and promotion. The industry must establish an appropriate position for its products in the target markets by properly defining the image the industry wishes to weak for its product. The product attributes, pricing decision, method of distribution and communication should all seek to reflect the chosen position. The strategic planning for marketing the products is essential in industries.

PRODUCT STRATEGY

The product strategy is especially related to a variety of the products offered by the industries. Product strategy is defined as the roadmap of a product. This roadmap outlines the end to end vision of the product and what the product will become. Companies utilize the product strategy in strategic planning and marketing to identify the direction of the company's activities. The roadmap for the product in the product strategy is composed of a variety of sequential processes to effectively achieve the vision. The company must know where they would like the product to take them in order to identify and plan for the necessary activities to reach that destination. The appropriate product strategy is essential according to the market segment, the present study confines these variables into eight namely, multipurpose usage, more attraction, need based size, product quality, need based product identification, convenient to handle, health friendly product and environment friendly packing.

STATEMENT OF THE PROBLEM

Marketers often develop a promotional strategy to differentiate their goods or services from those of competitors. To accomplish this, they attempt to occupy a "position" in the market that appeals to their target customers. Promotions that apply the concept of

positioning communicate to consumers meaningful distinctions about the attributes, price, quality, or usage of a good or service. Today, there are several small and medium size companies that are producing mineral water and only few of them are exporting into the markets of regional countries. But, there is still a lack of consistency in production, lack of knowledge on marketing and especially on marketing strategies. Water producers are concentrated more on producing goods by leaving on the side customers, tempting to produce qualitative goods which will bring new customers and opening the window for export of goods into the region and beyond in the near future. Often, when asked the non-price reason behind their choice for a particular brand of product over another, most consumers will readily shout "Quality". However, one would accept this answer with a lot of ambivalence, given the fact that it is only on rare occasions that consumers would have what it takes to make an objective quality differentiation among alternative product brands. This category of consumers is highly informed and enlightened and their percentage is quite negligible in Tamil Nadu. It therefore follows that, those marketers who know how best to manipulate retailer perception and therefore better position their brand in the minds of the consumers will definitely emerge winners in the marketing warfare. In the bottled water industry in Tamil Nadu, it may be expected that the issue of "better quality" should not arise. A point to note is the fact that most producers strongly believe that branding has a very high influence on consumer's choice. However, given the fact that many elements constitute branding, one is not sure if these elements play equal role in influencing choice or if some play a higher role than others. This is the crux of the problem of this study.

OBJECTIVES OF THE STUDY

1. To identify and assess Product strategies of select mineral water companies
2. To compare the product strategies of select mineral water companies

HYPOTHESIS

The following hypothesis stated in their null forms was tested in this study.

H1: There is no significant difference in product strategies adopted among select Mineral water companies

PERIOD OF THE STUDY

The survey was conducted from March to April 2014.

SAMPLE SELECTION AND DATA COLLECTION

Random sampling method was used in this study. The target group was from 5 to 10 years old retail shops in Cuddalore district of Tamil Nadu. The plan was to deliver 300 copies of questionnaires. 75 copies of questionnaires were delivered in each selected four major towns in Cuddalore district namely Cuddalore, Chidambaram, Virthachalam and Neyveli. The questionnaires were translated into Tamil in case some retailers cannot understand English very well. The data collection process lasted for 2 weeks and 278 questionnaires were recovered and the recovery rate was 92.67 percent. From these questionnaires 274 questionnaires were valid and the efficient rate is 98.56 percent

The respondents are asked to rate the above said variables related to the product strategy at five point scale namely highly considered, considered, moderate, not considered and not at all considered. The scores assigned on these scales vary from 5 to 1 respectively. The mean score of these variables has been computed to analyse the extent to which the industries considered the variables

in designing their product strategy. One way analysis of variance (ANOVA) has been administered to analyse the significant difference among the selected companies

regarding the importance given to these variables. Table 1 presents the results of One way analysis of variance (ANOVA) relating to product strategies.

Table 1 Respondents’ Perception on Product Strategy of Mineral Water Companies

S. No.	Variables	Mean Score among Industries in				F Statistics
		Real pure	High Chill	KAC	New Rain	
1	Multipurpose Usage	4.231	4.012	2.957	3.648	12.034
2	More Attraction	3.629	3.167	3.889	3.018	8.634*
3	Need Based Size	4.036	3.034	3.985	3.567	4.689
4	Product Quality	2.967	4.112	2.986	3.991	10.321*
5	Need Based Product Identification	4.228	3.556	4.008	3.897	18.127
6	Convenient to Handle	3.964	4.196	3.847	4.120	9.324*
7	Health Friendly Product	3.862	3.517	3.339	3.768	7.611
8	Environment Friendly Packing	2.967	2.561	2.294	2.463	5.017

Source: Computation from Primary Data * Significant at 5 per cent level.

It could be inferred from Table 1 that the highly considered variables in the product strategy of Real pure industry are need based product identification, need based size and need based product identifications since the mean scores are 4.231, 4.036 and 4.228 respectively. In the case of High Chill, the highly considered variables relating to product strategy are multipurpose usage, product quality and convenient to handle since the respective mean scores are 4.012, 4.112 and 4.196 respectively. In the KAC industries, the highly considered variables are need based product identification, need based size and more attraction since the respective mean scores are 4.008, 3.985 and 3.889. The highly considered variables relating

to product strategy of New Rain Company are convenient to handle, product quality and need based product identification since the respective mean scores are 4.120, 3.991 and 3.897 respectively. The significant difference among the four types of companies is identified regarding the importance given to the variables namely more attraction, product quality and convenient to handle since the respective ‘F’ statistics are significant at five per cent level. Hence the null hypothesis is rejected and it is concluded that there is a significant difference in more attraction, product quality and convenient to handle among the selected companies.

RECOMMENDATIONS

1. Companies should continuously modify their products toward the market needs by adding flavors to the water as customers demand.
2. Companies should avoid expanding their business through trying to export and leave the domestic market without fulfilling market demand.
3. Companies should attempt to identify market needs and wants and try to fulfill those needs and wants.

CONCLUSION

Product strategy is the key to the successful proliferation under a strategy where one can incorporate all the important points like identifying organizational goals; customer analysis; competitor analysis; plan for specific product/services, etc. Product strategy is a very

important in competitive market because the easy of entry into this market makes it so. Finally, marketing is a strategic level activity; it needs senior management involvement at all the levels and it must be on all agendas.

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