

An Analytical Study - How Marketing Strategies of Selected Home Appliances Provide A New Horizon of Economic Development in India from 2009 - 2016

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Abstract— Marketing is the system of identifying and meeting human and social demands. One of the shortest good definitions of marketing is meeting demands profitably. Formulation of strategy decisions provides enterprise-specific technology, markets, products, and resources over an extended period of time. Strategies determine long-term competitive advantages. Home appliances marketing strategies are subjective in the manner these can fulfil the objective of manufacturer to cope up with the market by satisfying the customers' requirements.

Keywords— Marketing strategies, Home appliances

I. INTRODUCTION

An organization's strategy is that it trusts all of its marketing goals into one inclusive plan. There are many features that lead to the realisation of a business in the industry. Marketing is one such important area that makes a business propagate. A good marketing strategy should be strained beginning market investigation and emphasize on the right creation mix in order to attain the greatest earnings probable and both continue and survive the business. The marketing strategy is, therefore, the base of marketing.

The welfares of a designed marketing strategy are abundant. Business proprietors frequently commit exclusively on their perception to get business results. Although this comfortable information is important in the judgement making process, it may not make available you with all the evidence you need to achieve marketing outcomes. A marketing strategy will help you in attaining essential business goals and develop performance to attain them.

Kotler said Strategy is the adhesive that goals to build and deliver a constant along with characteristic charge proposal on the way to your objective market. Bruce Henderson, the originator of the Boston Consulting Group, warned: —If a business has a sole benefit over its competitors, it has no aim to be present.

If an existing business applies the same strategy as entrants, then they do not have a strategy. If the approach is dissimilar but simply banal, it is a weedy scheme. If the

strategy is exclusively poles apart and problematic to facsimile, then a durable and supportable approach is necessary.

Most people fail to recognise, that the home appliance provider must rely on the customer to make an income and stay in the business. It appears fairly obvious, but there are many more factors involved in selling home appliances than just having the best appliance. A productive home appliance distributor must have an outstanding manufacturer/supplier, who are dedicated in class advertising, consumer research and numerous other key sales chauffeurs to keep them in business in today's modest sales marketplace. A home appliance distributor, trusts on a supplier who will do concentrated customer research before its announcement to the marketplace for universal sale.

The home appliance distributor must safeguard his interest by ensuring that his manufacturer/supplier has complete wide customer explore on their new announcements before they can take them to market. They need to make certain that the home appliances are useful, cost-effective, appropriate, and can be in the right place to everyone's household. There are numerous forms of research, limited release sale, such as product testing, and personal interviews. They can even let the public use the home appliance free of charge for numerous months to see if it will fit the requirements of the average consumer.

In that paper we try to chalk out how marketing strategies are formulated and it helps to grow the business and generating revenue to the manufacturer, for that purpose we

taking help the report for secondary data provided in JP Morgan, Tech Navio, Spark Capital estimates, EY analysis.

We select five home appliances for the study

- ❖ A.C. MACHINE
- ❖ T.V.
- ❖ MICROWAVE MACHINE
- ❖ REFRIGERATOR
- ❖ WASHING MACHINE

Objective of the study –

To discover whether the Marketing strategies of home appliances are subjective or objective in nature

II. ELEMENTS OF FORMULATION OF MARKETING STRATEGY

Marketing is the system of identifying and meeting human and social demands. One of the shortest good definitions of marketing is meeting demands profitably. The American Marketing Association offers the following formal definition: Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. These exchange systems call for a considerable amount of work and skill. Marketing management takes place when at least one part to a potential exchange thinks about the means of getting desired responses from other parts. Thus we see marketing management as the science and arts of selecting target markets and getting, keeping, and growing consumers by creating, delivering, and communicating proper consumer value.

Main elements of setting strategy

Social goal: To operate the enterprise in a way that actively recognises the central role that business plays in society by initiating creative ways to improve the quality of life internationally, nationally and locally.

Product goal: To produce, distribute and sell the well quality products and euphoric concoctions with a continued commitment to start wholesome, natural ingredients and promote business practices that respect the Environment and the Earth.

Economic goal: To operate the enterprise on a systematic financial basis of profitable growth, enhancing the value of stakeholders and increasing opportunities for development and growth.

The strategic-management system is a combination of three stages:

- ❖ Formulation of Strategy
- ❖ Implementation of strategy
- ❖ Evaluation of strategy

Strategy formulation relates to developing a proper objective, locating an enterprise, external threats and facilities, determining internal weaknesses and threats, establishing long-term goals, providing alternative strategies, and choosing particular strategies to pursue. Formulation of strategy issues includes deciding what new enterprises to enter when to leave enterprises, how to allocate resources, how to expand or diversify, how to enter international markets when to merge or create a joint venture, and how to avoid an inimical takeover. Because no enterprise has unlimited resources, strategists must decide which alternative strategies will benefit the enterprise most.

Formulation of strategy decisions provides enterprise-specific technology, markets, products, and resources over an extended period of time. Strategies determine long-term competitive advantages. For better or worse, strategic decisions have major functional consequences and surviving effects on an enterprise. Top managers have the best view to understanding fully the consequences of strategy-formulation decisions; they have the authority to commit the resources necessary for implementation.

Implementation of strategy needs a firm to establish yearly objectives, chalk-out plans, allocate resources and motivate employees, so that formulated strategies can be implemented.

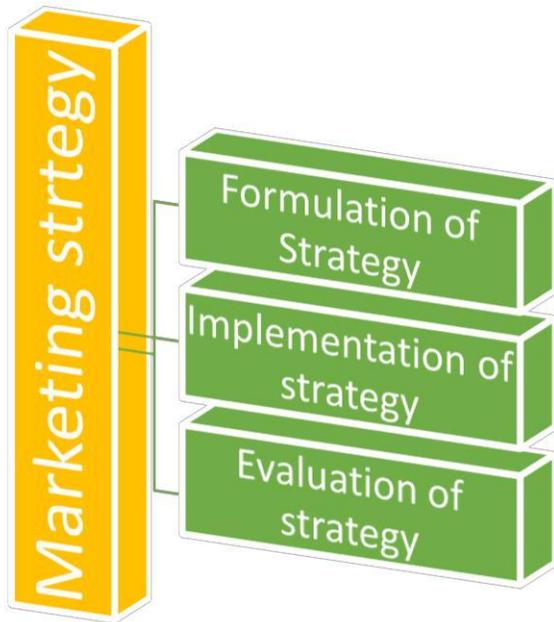
Evaluation of strategy is the system of developing an enterprise's mission and goals and then outlining the steps and systems necessary to achieve the goals of the enterprise. Techniques for evaluating the efficiency of a company's strategy include evaluating internal and external forces that influence strategy execution, measuring enterprise performance and determining proper corrective measures.

Formulation of strategy, implementation, and evaluation functions occur at three levels of strategy formulation process in a large enterprise (corporate, divisional or strategic business unit, and functional).

By utilising communication and interaction among managers and employees across all levels, strategic management helps an enterprise function as a competitive team. Most small businesses and some large businesses do not have divisions or strategic business units; they have only the corporate and functional levels. Normally, managers and employees at these two wings should be actively related in strategic-management activities. Strategists are the individuals who are most responsible for the success or failure of an enterprise by providing an appropriate strategy.

Strategists help an enterprise accumulate, analyse, and organise information. They track industry and competitive trends, develop forecasting models and scenario analyses, evaluate corporate and divisional performance, spot emerging market opportunities, identify business threats,

and develop creative action plans. The following diagram discusses how strategies are formulated –



In that part of the article we, tried to develop a concept of business trend analysis with the help of secondary data collected from DION report, CEAMA reports, JP Morgan, Tech Navio, Spark Capital estimates, etc. In that particular part of our research, we have used Ms-excel as well as statistical software tools to generate a business forecasting model of home appliances, production trend for chalking out the development of business and economy of our country in near future.

Background and context of our study

- The increasing electronics and consumer durables market in India presents a striking opportunity to manufacturers.
- Government of India’s recently declared Make in India initiative has provided the different stimulus to this sector

There is an enormous opportunity for manufacturing in India, as demonstrated by spreading out undertaken by majors

Growing industry

The demand for flat T.Vs, refrigerators, washing machines and air conditioners are on the rise with reduced penetration of products vis-a-vis global levels, rising disposable income and urbanization of consumers.

The market for white goods and televisions has been growing and high trend of probable production in the coming years.

Rising imports to meet demand

There has been an upsurge in imports from low-cost regions such as China and SE Asia due to various free trade agreements and readiness of products at a lower cost as associated with costs incurred in local manufacturing.

Production expansion to meet local and export demand

To meet the rising home-grown demand and export demand to neighbouring regions and MEA, companies are planning to expand their local manufacturing in India and make the country an export hub.

• Major Indian and global consumer durables companies have declared investments of around US\$1.4 billion over the coming years in India.

The main three drivers boost up Indian home appliance product market

- SALES REPLACEMENT techniques.
- MARKET PENETRATION policy.
- LOW-COST mechanisms.

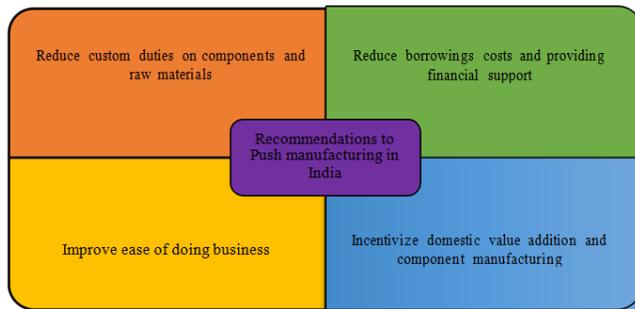
| DRIVERS | | |
|---|--|--|
| LARGE COMPONENT OF SALES COMPRISRES SECONDARY SALES REPLACEMENTS SIGNIFICANT SCOPE FOR GROWING PRIMARY SALES (FIRST TIME) | MARKET PENETRATION LAGS BEHIND GLOBAL AVERAGE BY UPTO 60% FOR CERTAIN CATEGORIES | PRIMARY SALES DRIVEN BY LOW COST MADE FOR INDIA AND MADE IN INDIA PRODUCTS |

Source: DION report, EY analysis

How a manufacturer face certain specific challenges

1. Overturned duty structure due to FTAs makes Indian manufacturing uncompetitive for white goods such as washing machines, refrigerators and air conditioners.
2. Altered Special Incentive Package Scheme (MSIPS) is currently not applicable to consumer durables such as washing machines, refrigerators and air conditioner.
3. Inadequate? And under-developed local supplier base.
4. The high cost of capital and other manufacturing costs due to frequently revised Energy efficiency necessities.

India can emerge as the future manufacturing hub for the region, provided there are tolerable focus and support from the Government for this sector.



- The Indian consumer durables market has usually been a high employ, priority sector
- Consumer durables account for more than 40% of the end consumer outlay in India.
- Annual turnover of more than INR500 billion contributes to more than INR150 billion as revenues for both Centre and State governments
- The sector pays more than 5.5% of IIP.

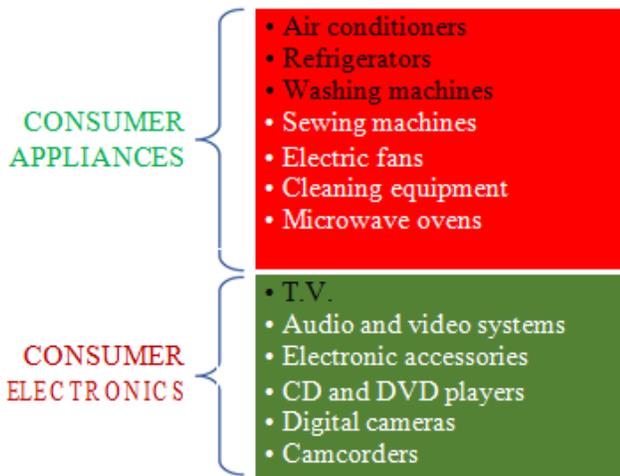
It has been an employment originator — for every direct job.

Import concentrated sector and second top contributor to the current account deficit.

Urban markets justification for the majority share (65% of total revenues) in the consumer durables sector in India...

However, upcoming jet growth will come in from the rural markets (69% rural population).

(Source: CEAMA reports, EY analysis)



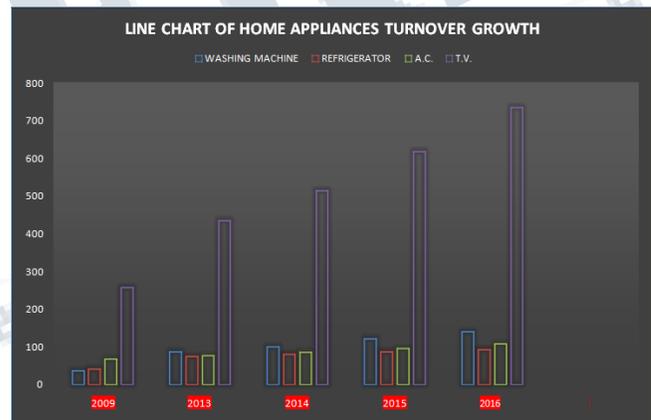
III. ANALYSIS OF BUSINESS TREND OF HOME APPLIANCES IN INDIA

The Indian consumer durables market has traditionally been a high employ, priority sector. Consumer durables account for more than 40% of end consumer costs in India.

Annual turnover of more than INR500 billion, accounts for more than INR150 billion, as revenues paid to both Centre and State governments. The sector pays more than 5.5% of IIP. It has been an employment originator — for every direct job, 3 in-direct jobs are shaped. Import demanding sector and second top supplier Urban markets is the reason for the mainstream share (65% of total revenues) in the consumer durables segment in India...however, upcoming jet growth will originate subsequently in the rural markets (69% rural population). According to the availability of secondary data we analyse 4 home appliances as the table below.

| component | 2009 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------|------------|------------|------------|------------|
| WASHING MACHINE | 37 | 87 | 101 | 122 | 140 |
| REFRIGERATOR | 41 | 74 | 81 | 87 | 93 |
| A.C. | 68 | 77 | 86 | 96 | 108 |
| T.V. | 257 | 435 | 514 | 618 | 735 |

Source: JP Morgan, Tech Navio, Spark Capital estimates, EY analysis



According to the above graph we can interpret that from the trend of revenue generation from the year 2009 -2016 washing machine, refrigerator, A.C., T.V. is in inclining trend.

It will good for economic growth and development for our country India. It will be the fulfilment of *MAKE IN INDIA* objective and as well as bosting Indian home appliances market in a new horizontal economic growth.

IV. CONCLUSION

So we conclude that the home appliances marketing strategies are subjective in the manner these can fulfil the objective of manufacturer to cope up with the market by satisfying the customers' requirements. The Indian consumer durables market has traditionally been a high

employ, priority sector. Consumer durables account for more than 40% of end consumer costs in India. Annual turnover of more than INR500 billion, accounts for more than INR150 billion, as revenues paid to both Centre and State governments.

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