



Impact of Pricing Strategy Adopted by Women Self-Help Groups and Perception of the Respondents on Effectiveness of Sales Promotion Measures in Coimbatore District (India)

KEYWORDS

Sales Promotion Measures adopted by Women SHGs in Coimbatore district. Pricing Strategies adopted by Women SHGs in Coimbatore district. Women SHG Products.

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ABSTRACT Pricing has far reaching effects beyond the cost of the product. Pricing is just as much a positioning statement as a definition of the cost to buy. Pricing defines the entry threshold. The need for sales promotion arises from the intensity of competition. Sellers must somehow attract customers' attention. This study is fully based on survey data. The researcher took 1000 sample respondents according to the systematic sampling method. The total Population is divided Into five blocks and from each block 200 sample respondents selected. This study covers the objectives of To find out the best measure of Pricing strategy adopted by Women Self-Help Groups in Coimbatore District and to offer suggestions to improve the sales of Women Self-Help Group products by modifying the pricing strategy

INTRODUCTION

Pricing has far reaching effects beyond the cost of the product. Pricing is just as much a positioning statement as a definition of the cost to buy. Pricing defines the entry threshold: who your buyers are and their sensitivities, which competitors you will encounter, who you will be negotiating with and what the customers' expectations will be. The most important thing in developing and marketing strategy, including pricing strategy, is to understand as much as possible about current and potential customers. The more you know about their motivations, sensitivities, needs, and their own customers, the more likely you will be to maximize both the effectiveness of your product as well as your own revenue stream.

To give a boost to products manufactured by women's Self Help Group (SHGs) in Tamil Nadu, the state government plans to give them a unique brand identity with a logo and monogram. It also plans to develop the concept of "one village-one product", as well as new clusters. Tamil Nadu was one of the pioneering states to have set up a Corporation for Development of Women in 1983, with the objective of overall empowerment of women. The key strategy that the state adopted was social mobilisation of women by encouraging them to form SHGs and by promoting savings and thrift. The SHG movement in Tamil Nadu started with the International Fund for Agricultural Development-assisted Women's Development Project in 1991-92. Over the past 20 years, the SHG movement has spread through the entire length and breadth of the state. At present, around 8.57 million women have been mobilised into some 556,000 lakh SHGs, under a scheme named Mahalir Thittam. The SHGs have so far availed a credit of Rs 15,633.83 crore from various banks and have a total savings of more than Rs 3,374.60 crore, according to the state's department of rural development. The scheme is sponsored by a state government fund and involves formation of new SHGs, capacity building of SHG members and representatives, skill training, enterprise development training, credit assistance to SHGs, setting up a revolving fund, credit linkages through banks, and marketing of SHG products through exhibitions and branding.

Women-led SHGs produce a wide range of products such as handicrafts, food products, handlooms and textiles, herbal products and artificial jewellery. SHGs engaged in the same types of activities in a particular village will be networked with each other and provided with backward and forward linkages to enable them to realise economies of scale, expand their markets and tap the potential for exports. Clusters of similar groups within the village and across villages will be identified and promoted under the "one village-one product" concept to provide sustainable employment opportunities to non-agricultural labourers and artisans. In 2012-13, based on the one village-one product concept, five clusters will be promoted in each district. A total of 150 clusters will be developed in the state, according to the department. Currently, district-level supply and marketing societies alone are engaged in the marketing of SHG products. State-level supply and marketing societies have not been established so far. The state government now planned to establish a state-level supply and marketing society in 2012-13 and link it with district-level supply and marketing societies for effective promotion of SHG products at the state, national and international level.

REVIEW OF LITERATURES

The following are the reviews related to this study,

Ruth N. Bolton and Venkatesh Shankar, (2003) "An empirically derived taxonomy of retailer pricing and promotion strategies." Most research categorizes grocery retailers as following either an Every Day Low pricing (EDLP) or a High Low (Hi-Lo) pricing strategy at a store or chain level, whereas this paper studies retailer pricing and promotions at a brand-store level. It empirically examines 1,364 brand-store combinations from 17 chains, 212 stores and six categories of consumer package goods in five U.S. markets. Retailer pricing and promotion strategies are found to be based on combinations of four underlying dimensions: relative price, price variation, deal intensity and deal support. At the brand-store level, retailers practice five pricing strategies, labeled Exclusive, Moderately Promotional, Hi-Lo, EDLP, and Aggressive pricing. Surpris-

ingly, the most prevalent pricing strategy is not Hi-Lo pricing strategy as is widely believed. It is one characterized by average relative brand price, low price variation, medium deal intensity, and medium deal support. The findings provide some initial benchmarks and suggest that retailers should closely monitor their competitors' price decisions at the brand level.

Pravash R. Mohapatra, (2010) " Rural Marketing Support to the Self Help Group in Orissa" view that The output of SGSY (to create micro level entrepreneur, after forming a SHG) have slowed down and then it was changed into NRLM. Is it solving the problem of putting people above the BPL? Is the Govt. machinery doing enough to market the product of the SHGs? Is the failure of this is the key reason of the failure of a scheme. In this article it is examined that how good the organization (ORMAS along with DSMS) is serving the BPL population of Orissa. Khurda district, home to the capital city of Orissa is taken as an example. ORMAS the marketing and DSMS should make their presence felt all over Orissa, either having their own outlets, making arrangement of uninterrupted supply of the commodities like pulses, turmeric etc. The ORMAS, being the torch bearer of all the rural marketing activities in the state, should apply strategic management process more scientifically. Incentivizing the line organization and the people with "output linked benefit" should motivate them to explore further, as a result more and more rural poor will be inside the bracket of SHG and take the help of ORMAS to market their produce. The implementation machineries should make sure, absolutely sure that the products are available in all the outlets, starting from Supermarkets, Retail Mall to weekly village markets.

Shweta Singh, Guido Ruivenkamp and Joost Jongerden, (2011) "A State of the Art of Self Help Groups in India." This study considers the strategies of self help group for micro-enterprise development in rural areas. It seeks to answer the question of whether and under which conditions self help groups are an effective vehicle for organizing and representing local people in the development of community based micro-enterprises. Focusing particularly on examples from India in the context of food as a local resource, special attention is paid to success and failure factors of self help groups. While self help group strategies have been applied in the past as a blind replication of success models without considering the intricacies involved in group formation, success of self help groups is based on a thorough understanding of local conditions and possibilities to intervene.

NEED AND IMPORTANCE OF THE STUDY

The need for sales promotion arises from the intensity of competition. Sellers must somehow attract customers' attention. In the open markets of old (and farmers markets of today), sellers did and do this by shouting, joking with customers, and sometimes by holding up a squealing piglet for everyone to see. Priya Raghbir and her co authors, identify "three faces" of consumer promotions: these are information, economic incentive, and emotional appeal. Information may take the form of advertising the availability of something, incentives are offered in the form of discounts, and emotional appeals are made by displays and, of course, by the low price itself.

Marketers who employ sales promotion as a key component in their promotional strategy should be aware of how the climate for these types of promotions is changing. For

instance, the onslaught of sales promotion activity over the last several decades has eroded the value of the short-term requirement to act on sales promotions. Many customers are conditioned to expect a promotion at the time of purchase otherwise they may withhold or even alter their purchase if a promotion is not present. For instance, food shoppers are inundated on a weekly basis with such a wide variety of sales promotions that their loyalty to certain products has been replaced by their loyalty to current value items (i.e., products with a sales promotion). For marketers the challenge is to balance the advantages short-term promotions offer versus the potential to erode loyalty to the product.

STATEMENT OF THE PROBLEM

Tamil Nadu was one of the pioneering states to have set up a Corporation for Development of Women in 1983, with the objective of overall empowerment of women. The key strategy that the state adopted was social mobilisation of women by encouraging them to form SHGs and by promoting savings and thrift. The SHG movement in Tamil Nadu started with the International Fund for Agricultural Development-assisted Women's Development Project in 1991-92. Over the past 20 years, the SHG movement has spread through the entire length and breadth of the state. At present, around 8.57 million women have been mobilised into some 556,000 lakh SHGs, under a scheme named Mahalir Thittam. The SHGs have so far availed a credit of Rs 15,633.83 crore from various banks and have a total savings of more than Rs 3,374.60 crore, according to the state's department of rural development. The scheme is sponsored by a state government fund and involves formation of new SHGs, capacity building of SHG members and representatives, skill training, enterprise development training, credit assistance to SHGs, setting up a revolving fund, credit linkages through banks, and marketing of SHG products through exhibitions and branding. Women-led SHGs produce a wide range of products such as handicrafts, food products, handlooms and textiles, herbal products and artificial jewellery. SHGs engaged in the same types of activities in a particular village will be networked with each other and provided with backward and forward linkages to enable them to realise economies of scale, expand their markets and tap the potential for exports. Clusters of similar groups within the village and across villages will be identified and promoted under the "one village-one product" concept to provide sustainable employment opportunities to non-agricultural labourers and artisans. In 2012-13, based on the one village-one product concept, five clusters will be promoted in each district. A total of 150 clusters will be developed in the state, according to the department. Currently, district-level supply and marketing societies alone are engaged in the marketing of SHG products. State-level supply and marketing societies have not been established so far. The state government now planned to establish a state-level supply and marketing society in 2012-13 and link it with district-level supply and marketing societies for effective promotion of SHG products at the state, national and international level.

Price is important to marketers because it represents marketers' assessment of the value customers see in the product or service and are willing to pay for a product or service. The other elements of the marketing mix (product, place and promotion) may seem to be more glamorous than price, and thus get more attention, but determining the price of a product or service is actually one of the most important management decisions. Here's why. While product, place and promotion affect costs, price is

the only element that affects revenues, and thus, a business's profits. Price can lead to a firm's survival or demise. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, it will often affect the demand and sales as well. Both a price that is too high and one that is too low can limit growth. The wrong price can also negatively influence sales and cash flow.

Problems occur if the marketer fails to set a price that complements the other elements of the marketing mix and the business objectives, as pricing contributes to how customers perceive a product or a service. A high price indicates high quality. The term luxury comes to mind. If, however, a firm wants to position itself as a low-cost provider, it will charge low prices. Just as they do with high-end providers, consumers know what to expect when they see low prices. So, as we can see, it is important that a company sets the right price. A company's success can depend on it. However, with so many factors to consider along with the lack of a crystal ball that will show the effect of a price change, it isn't so easy to do.

OBJECTIVES OF THE STUDY

- i) To analyse the price research conducted by Women Self-Help Groups in Coimbatore District
- ii) To understand the Pricing strategy adopted by Women Self-Help Groups in Coimbatore District
- iii) To find out the best measure of Pricing strategy adopted by Women Self-Help Groups in Coimbatore District
- iv) To Offer Suggestions to improve the sales of Women Self-Help Group products by modifying the pricing strategy

RESEARCH METHODOLOGY

This study is fully based on survey data. The researcher took 1000 sample respondents according to the systematic sampling method. The total Population is divided into five blocks and from each block 200 sample respondents selected. The researcher used two-way tables for analysing the personal factors affecting the effectiveness of sales promotion measures adopted by the Women Self-Help Group in Coimbatore district

The sample respondents were divided into three groups in accordance with their perception on the effectiveness of the sales promotion measures adopted by the Women Self Help Groups in Coimbatore district.. The scores obtained by the respondents (appendix-iii) with regard to their perception on the effectiveness of the sales promotion measures adopted by the Women Self Help Groups were considered for grouping the respondents under the three categories viz., the respondents who perceived that the effectiveness of these Women Self Help Groups are 'less effective', 'effective' and 'very effective'. The respondents with the scores up to 67.95 were grouped as the respondents who perceived that the effectiveness of these Women Self Help Groups is 'less effective'; the respondents with the scores between 67.96 and 83.46 were categorized as the respondents who perceived that the effectiveness of these Women Self Help Groups is 'effective', and the respondents with the scores above 83.46 were grouped as the respondents who perceived that the effectiveness of these Women Self Help Groups is 'very effective'. The distribution of the sample respondents in accordance with their perception on the effectiveness of these Women Self Help Groups Coimbatore District is given in Table - 1

Table - 1 : Perception of the Respondents on the Effectiveness of the Sales Promotion Measures

Perception on the Effectiveness of Sales Promotion Measures	No. of Respondents	Percentage
Less Effective	150	15.00
Effective	756	75.60
Very Effective	94	9.40
Total	1000	100

Source: Survey Data

Table- 1 reveals that out of one thousand sample respondents, one hundred and fifty respondents (15.00%) perceived the effectiveness of the sales promotion measures adopted by the Women Self Help Groups 'less effective'; seven hundred and fifty six respondents (75.60%) perceived the effectiveness of the sales promotion measures adopted by the Women Self Help Groups as 'effective'; and the remaining ninety four respondents (9.40%) perceived the effectiveness of the sales promotion measures adopted by the Women Self Help Groups in Coimbatore District is 'very effective'.

PRICE RESEARCH CONDUCTED BY THE GROUP AND PERCEPTION OF THE RESPONDENTS ON THE EFFECTIVENESS OF THE SALES PROMOTION MEASURES

There are five hundred and sixteen respondents (51.60%) belong to the groups were not conducted price research and their mean perception score is 61.51. Their score ranged between 55.00 and 74.82. Among them three hundred and seventy two respondents (72.09%) have their perception scores above the mean score and one hundred and the remaining one hundred and forty four respondents (27.91%) have their perception scores below the mean score. Four hundred and eighty four respondents (48.40%) belong to the groups, were conducted price research and their mean perception score is 61.20. Their score ranged between 55.00 and 74.64. Among them two hundred and Twenty nine respondents (47.31%) have their perception scores above the mean score and the remaining two hundred and fifty five respondents (52.69%) have their perception scores below the mean score. The extent of variation of the respondents belongs to the group who conducted price research and perception on the effectiveness of the sales promotion measures is given in Table:2

Table :2 Price Research Conducted by the group and Perception of the Respondents on the Effectiveness of the Sales Promotion Measures

Conduct Price research	No. of Respondents	Mean Score	Range	Effectiveness of the Sales Promotion Measures		
				Less Effective	Effective	Very Effective
No	516 (51.60%)	61.51	55.00 to 74.82	69 (13.37%)	391 (75.78%)	56 (10.85%)
Yes	484 (48.40%)	61.20	55.00 to 74.64	81 (16.74%)	365 (75.41%)	38 (7.85%)
Total	1000	61.36	55.00 to 74.82	150	756	94

Source: Survey Data

Table: 2 indicates that the mean perception score of the respondents of the groups who did not conduct price research is higher than that of the respondents belong to

the groups who conducted price research, and hence it can be inferred that the respondents belong to the groups who did not conduct price research perceived the sales promotion measures is very effective. Table:2 further indicates that percentage respondents belong to the groups who did not conduct price research perceived the sales promotion measures is less effective is the lowest (13.37%) among the respondents belong to the groups who did not conduct price research and the percentage of group respondents belong to the groups, who did not conduct price research, perceived the sales promotion measures is very effective is the highest (10.85%) among the respondents belong to the groups who did not conduct price research As the result is consistent it can be inferred that the relationship between the price research conducted by the respondents belong to the group and their perception on the effectiveness of the sales promotion measures is significant.

METHODS OF PRICING AND PERCEPTION OF THE RESPONDENTS ON THE EFFECTIVENESS OF THE SALES PROMOTION MEASURES

Self Helps Groups in Coimbatore district fixed Price for their products on the Cost based, Demand based, Competition based and using other techniques. Accordingly, there are two hundred seventy four (27.40%) respondents belong to the groups, fixed their price on cost based and their mean perception score is 61.26. Their score ranged between 55.36 and 71.96. Among them one hundred and thirteen respondents (41.24%) have their perception scores above the mean score and the remaining one hundred and sixty one respondents (58.76%) have their perception scores below the mean score. Three hundred ninety three (39.30%) respondents belong to the groups, fixed their price on demand based and their mean perception score is 61.32. Their score ranged between 55.71 and 74.64. Among them one hundred and sixty three respondents (41.48%) have their perception scores above the mean score and the remaining two hundred and thirty respondents (58.52%) have their perception scores below the mean score. Two hundred eighty six (28.60%) respondents belong to the groups, fixed their price on competition based and their mean perception score is 61.59. Their score ranged between 55.71 and 74.82. Among them one hundred and fifty seven respondents (54.90%) have their perception scores above the mean score and the remaining one hundred and twenty nine respondents (45.10%) have their perception scores below the mean score and forty seven (4.70%) respondents belong to the groups, fixed their price based on others and their mean perception score is 60.80. Their score ranged between 55.71 and 74.82. Among them nineteen respondents (40.43%) have their perception scores above the mean score and the remaining twenty eight respondents (59.57%) have their perception scores below the mean score. The extent of variation of the respondents belong to the group, their method of pricing and perception on the effectiveness of the sales promotion measures is given in

Table : 3 Method of Pricing of the Respondents and Perception on the Effectiveness of the Sales Promotion Measures

Method of Pricing	No. of Respondents	Mean Score	Range	Effectiveness of the Sales Promotion Measures		
				Less Effective	Effective	Very Effective
Cost Based	274 (27.40%)	61.26	55.36 to 71.96	38 (13.87%)	209 (76.30%)	27 (9.85%)

Demand Based	393 (39.30%)	61.32	55.71 to 74.64	63 (16.03%)	291 (74.05%)	39 (9.92%)
Competition Based	286 (28.60%)	61.59	55.71 to 74.82	39 (13.64%)	223 (77.97%)	24 (8.39%)
Others	47 (4.70%)	60.80	55.00 to 67.32	10 (21.28%)	33 (70.21%)	4 (8.51%)
Total	1000	61.36	55.00 to 74.82	150	756	94

Source: Survey Data

Table: 3 indicates that the mean perception score of the respondents of the groups who fixed price for their products on the basis of competition is higher than that of the respondents belong to the group who fixed price for their product on the basis of cost, demand and others, and hence it can be inferred that the respondents belong to the groups, who fixed price for their products on the basis of competition, perceived the effectiveness of sales promotion measures is very effective. Table: 3 further indicates that percentage of respondents belong to the groups who fixed price for their products on the basis of competition, perceived that the sales promotion measures is less effective is the lowest (13.64%) among the respondents belong to the groups who fixed price for their products on the basis of demand, perceived the effectiveness of sales promotion measures is very effective is the highest (9.92%) among the respondents belong to the groups who fixed price for their products on the basis of demand. As the result is inconsistent it can be inferred that the relationship between the method of pricing of the respondents belong the group and their perception on the effectiveness of the sales promotion measures is not significant.

FINDINGS:

1. The respondents belong to the groups who did not conduct price research perceived the sales promotion measures is very effective.
2. The respondents belong to the groups who did not conduct price research perceived the sales promotion measures is less effective is the lowest among the respondents belong to the groups who did not conduct price research and the percentage of group respondents belong to the groups, who did not conduct price research, perceived the sales promotion measures is very effective is the highest among the respondents belong to the groups who did not conduct price research.
3. The result is consistent it can be inferred that the relationship between the price research conducted by the respondents belong to the group and their perception on the effectiveness of the sales promotion measures is significant.
4. the respondents belong to the group who fixed price for their product on the basis of cost, demand and others, and hence it can be inferred that the respondents belong to the groups, who fixed price for their products on the basis of competition, perceived the effectiveness of sales promotion measures is very effective.
5. Respondents belong to the groups who fixed price for their products on the basis of competition, perceived that the sales promotion measures is less effective is the low-

est among the respondents belong to the groups who fixed price for their products on the basis of competition and the percentage of respondents belong to the groups who fixed price for their products on the basis of demand, perceived the effectiveness of sales promotion measures is very effective is the highest among the respondents belong to the groups who fixed price for their products on the basis of demand.

6. As the result is inconsistent it can be inferred that the relationship between the method of pricing of the respondents belong to the group and their perception on the effectiveness of the sales promotion measures is not significant.

SUGGESTIONS:

The researcher offers the following suggestions to improve the sales.

The sales profession moves faster than ever today. In the blink of an eye, new competitors emerge, products similar to yours are released, and before you know it, it's a race to the bottom. No matter what industry you're in, what worked well a few years ago isn't good enough today. This is no time for trial and error or order taking; this is a time to sell. Here are some basic steps you can take to improve your sales performance, reduce your cost of selling, and ensure your survival.

1. Clarify your mission: Begin by understanding the business niche. What to do best? Who needs what the SHG do? How do best approach these prospects? How much are they willing to pay? If these questions are not answered easily, campaign at the top for clarity and vision

2. Break the mission into specific goals: Write down the activity goals (calls per day, proposals per month, referrals per call, etc.) that SHGs can control. Set results goals (sales per month, amount per sale, profit per sale, etc.) to measure the progress, and track them closely. Increase their activity and measure the results. Goals focus their attention and energize the action.

3. Sell to customer needs: Always assume our prospects will buy only what the customers need. How can SHG convince them of that need? Emphasize the features of your product or service that reduce costs and solve problems for the customer. Sometimes they can reposition their wares. Be creative in sales and marketing.

4. Create and maintain favourable attention: Effective marketing, referrals, strong sales skills, and strategic questions are the keys to creating favourable attention. Diligent follow-through and above-and-beyond customer service are the keys to maintaining it.

5. Sell on purpose: Know both what to do and why SHGs are doing it at every step along the way. Who are they targeting and why? What are they going to tell them and why? What are SHGs going to ask them and why?

6. Work on the basics: Even the best of the best have room for improvement. Make a decision to improve the weaknesses, and set goals to force themselves to do the things SHGs don't like to do. Be more creative in their prospecting, fact finding, and presentation skills. Imagine the perfect salesperson and compare themselves to the ideal.

CONCLUSION:

The ability to sell someone something - whether it's a product, a service, or an idea - is the fundamental skill at the core of many, many jobs in the business world (especially ones with commission-based pay). When it comes to closing a sale, it's not all about smooth-talking of buyer. It's just as important to be able to listen intently, think critically, and to intelligently apply effective sales techniques.

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