An Analytical Study on Impact of Various Strategies Implemented on Retail Formats Differentiated with the Help of Abell's Model for Household Wooden Furniture Model in Pune, Maharashtra, India

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ABSTRACT

No company survives with a marketing strategy targeting an entire mass market. The market segmentation allows a business to precisely reach a consumer with specific needs and wants. In companies are able to use their corporate resources more effectively and make better strategic marketing decisions. The major reason companies divide markets into identifiable groups is so that the marketing team can create a custom marketing mix for the specific group. What is true for a company holds good for a sector across a specific region.

House hold furniture sector contributes substantially to Indian economy and is increasing with a handsome rise of 13 % CAGR. The is a three dimensional tool most often is referred to as the three dimensional business definition model. The model is used to analyze the scope of operation for a business.

Research study was needed to be undertaken on the basis of regrouping retailers and studying these groups as separate entities for effectiveness of strategies which will provide more accurate information as basis for more relevant strategic planning in retail outlets

The study attempts to simplify the complexity of the furniture retail outlets in Pune and suggest them strategies most effective for their format of retail to attract and retain consumers with the help of Abell's model.

Keywords: Abell's Matrix, Perceived Quality, Perceived Price

INTRODUCTION

No company survives with a marketing strategy targeting an entire mass market. The market segmentation allows a business to precisely reach a consumer with specific needs and wants. In companies are able to use their corporate resources more effectively and make better strategic marketing decisions. The major reason companies divide markets into identifiable groups is so that the marketing team can create a custom marketing mix for the specific group. What is true for a company holds good for a sector across a specific region.

House hold furniture sector contributes substantially to Indian economy and is increasing with a handsome rise of 13 % CAGR. Furniture market in India is predominantly

an un organized retail market (85%) but gradually with large scale organizations (manufacturing & retailing) venturing into the sector has induced in the change in behavior of consumers Consumer behavior is changing its orientation form dissonance reducing behavior to branding.

Pune is cultural capital of Maharashtra and a city expanding with a very high rate geographically. Market trends are set in Pune and then over a period of time they penetrate in other cities of Maharashtra. Hence the researcher has selected Pune market for his study. Furniture outlets were divided into 7 geographical areas on the basis of geographical spread. The eighth category was assigned to bigger outlets in the organized sector.

The Abell's Matrix?

The Abell matrix is a three dimensional tool most often is referred to as the three dimensional business definition model. The model is used to analyze the scope of operation for a business. This may include areas such as the technologies and products a business operates in a market or the audience that it targets. A detailed analysis of the business's current activities can help create strategies for the future that will help the business stay tuned to the changes that may occur within the market.
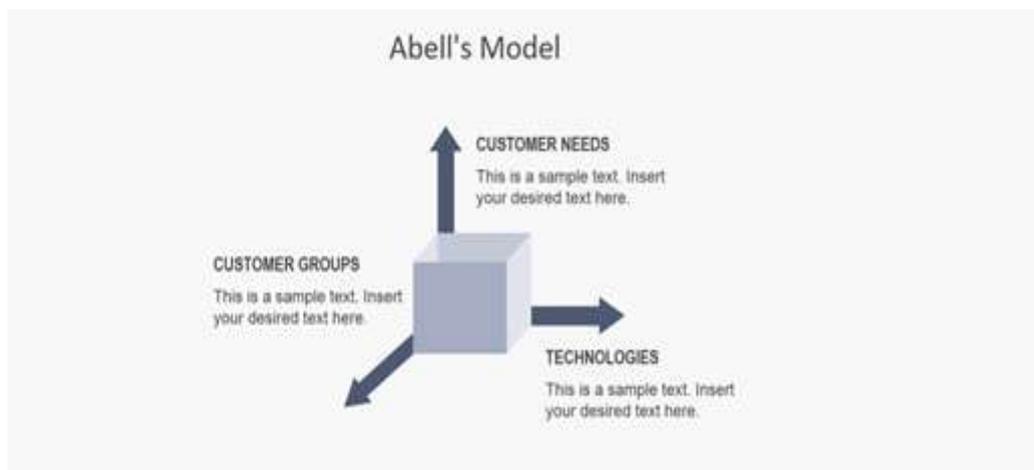

Figure 1 Abells model Source : https://www.cleverism.com/abells-framework-*for-*

Strategic-Planning

The three dimensions of the business are the customer groups (who will be served by the business), customer needs (what are the customer needs that will be met) and technology or distinctive competencies (how are these needs going to be met). A major point of importance in this matrix is to focus on understanding the customer rather than the industry and its products and services. Through these three dimensions, this tool helps define a business by its competitive scope (narrow or broad) and the extent of competitive differentiation of its products/services.

OBJECTIVES OF THE STUDY

The entire objective of the study is to find the effectiveness of strategies for the benefit of the marketing organizations, intermediaries & end customers & ultimately to economy of the nation.

PERIOD OF THE STUDY

Researcher has selected and reviewed period from 2017 to 2019 for checking the effectiveness of strategies through buyer behavior studies in selected furniture retail outlets.

RESEARCH TYPE

The nature of study is descriptive. In order to accomplish above objectives and to conduct this study, the required data was collected from primary as well as secondary sources which aim at studying the consumer awareness of the of strategies through buyer behavior studies in selected furniture retail outlets.

The researcher has collected data by conducting structured interviews and through filling up structured questionnaires from the experts in wooden household furniture industry having higher experiences of strategy implementation. The researcher has selected 75 furniture outlets having experience more than five years.

Retail outlets were classified on the basis of demographic and micro economical parameters as:

Years in business	Sector	Type of outlet
A. Below 5 B. 5-10 C. 10-15 D. 15-25 E. Above 25	A. Organized B. Unorganized	A. Owned + Mfg B. Franchisee C. Show Room
No. of sales persons in the outlet	**Area in sq ft**	**Annual turnover**
A. 2 B. 3 C. 4 D. 5 E. 6 F. Above 6	A. Below 1000 B. 1000- 2000 C. 2000-4000 D. 4000-1000 E. Above 10000	A. Less than 2 crores B. 2-10 crores C. 10-20l crores D. 20-50 crores E. 50 -100 crores F. Above 100 crores

Table no 1: Retail demographic profile Source: Distribution analysis SPSS

It was observed that few furniture outlets were similar in certain aspects which were distinctly different from rest in terms of their consumers and strategies. Retailer groups were classified as:

Organized Formats

- THE COCO Format; company owned and company operated retail outlets mainly consisting company personnel controlled by company's marketing department and having strict control of the company in implementation of marketing strategies

- THE FOFO Format: franchisee owned and franchisee operated retail outlets mainly consisting franchisee personnel controlled by company's marketing management and having strict control of the company in implementation of marketing strategies

Unorganized Formats

- Unorganized Format 1: Retailers having long experience (20 or more years) who had their retailer brand name and relied on local consumers. The consumers coming to the outlet for a repeat purchase as they were satisfied by earlier purchases.

- Unorganized Format 2: Retailers having substantial (10-20 years) experience and fair retailer brand name and relied on promotional efforts to attract consumers.

- Unorganized Format 3: Retailers having very less experience with no stronger tailer brand name. They relied on local consumer in the vicinity of markets in the developing suburban areas of Pune. They relied on location choice in the market in suburbs and contacted consumers through mouth publicity or reference.

- Unorganized Format 4: Retailers with no brand name or no specific locational advantage of retail outlet they primarily focused on participation in trade fares to secure orders

Organizations are able to develop the companies' marketing strategies to satisfy needs of consumers. The entire set off retail strategies are divided into 2 parts pull strategies & push strategies.

Pull strategies involve activities enhancing capabilities of product or outlet by which the product or the outlet attracts consumers all by itself.

Over all 12 strategies were taken into consideration for testing. They were:

Push strategies	Pull strategies
Perceived Quality	Brand of the retail outlet
After Sales Service	Retailers experience in years
Perceived price	Brand of the Product
Discount schemes	Distance(Location Strategy)
Bank Proposals	Attractive displays
Efficiency Of The Sales Team	Advertisements

OBSERVATIONS AND CONCLUSIONS

Effective conversion of potential to actual customer can occur if the sales person has proper knowledge of the factors to be stressed in his presentation.

The statistics provided information of the strategic factors most effective for customers of different retail formats. The set of most effective parameters differentiated according to different formats and can be summarized as below:

Format	Type of customers	Specific needs	Most effective strategies
COCO Format	Rich and powerful executive class	Fancy , Durable Brand Oriented	Product Brand name Advertisements Perceived quality
FOFO Format	Suburban working class	Branded Durable Value Oriented	Product Brand name Perceived quality Advertisements Place convenience
1 Unorganized Format The experienced dealer	Urban working class loyal customers	Durable modular Value Oriented Consistency	Product Brand name Retailers Experience Delivery &after sales services
2 Unorganized Format	Urban working class Value oriented	durable	Attractive Displays Advertisements
3 Unorganized Format	Suburban family	Price economy	Perceived Price Discount Schemes Bank proposals
4 Unorganized Format	Variety seeking	Price economy	Perceived quality Perceived Price Efficiency of the sales team

Table no 2: Effective Retail Strategies Source: Cross-tabulation analysis SPSS

SUGGESTIONS

Furniture retail outlet owner/sales in-charge should conduct sales workshop in which training can be imparted on basis of deduction of the study. Retail sales strategies revolve around effective product stories (information) and presentations focus on features, advantages and benefits of product. In order to be effective in converting the prospect a salesperson should profile a customer and stress on those factors which are of maximum importance to the consumer profile. Hence the researcher feels a need that outlet owner/sales in-charge should conduct sales workshop in which training can be imparted on basis of deduction of the study. Set of parameters considered important for demographic profile of consumers of various formats discussed according to the model should be considered and implemented in consumer interaction to achieve higher conversion rate. This totally can be implemented in module of lasting 6 hours.

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