

A study on category management at Dhiraj sons

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Abstract

Introduction: Category management is the way of managing retail operation by classifying the assortment of retailers into category on the basis of consumer's performance, not just on the basis of individual brand items. Category management is a retailing concept in which the range of products purchased by a business organizations or sold by retailers is broken down into different groups of similar or related products this groups are known as product category.

Method: for collecting these data hear used primary data. It is questionnaire-based study which is circulate among 100 respondents.

Result: people who visited Dhiraj sons are satisfied with firm's category management and it was influence on consumes purchase behavior.

Conclusion: this study is for a study on category management at retail store, at Dhiraj sons to check satisfaction level consumers with category management.

Keywords: category management, category management process, product category

Introduction

A Study on Category Management in Retail Business

Category Management is the way of managing retail operation by classifying the assortment of retailer into categories on the basis of consumer's performance, not just basis of individual brand items.

Category management is a retailing concept in which the range of products purchased by a business organisation or sold by retailer is broken down into different group of similar or related products, these groups are known as product categories.

- The classification of product into separate category benefits the customers and makes their shopping a pleasurable experience.
- The customers as per their interest, pocket of need can walk up to the respective categories, check out the various options and decide that what to buy what not to buy.

Category management Process

The standard model for category management in retail is the 8-step process, are:

1. Category Definition (i.e. what products are included/excluded).
2. Category Role
3. Assess the current performance.
4. Set objectives and targets for the category.
5. Category Strategy.
6. Specific tactics.
7. Implementation Program
8. Category Review.

1. Category Definition

In this step retailer classified the store's products into different categories depending on the usage of products by the customers. Category definition should be basis on

consumer's buying behaviour. In this step retailer know requirement of categories of products, and potential customers. Assign product to the different categories depending upon customers liking, disliking, quantity size, colour, different segments, and substitute products of all brands.

2. Category Role

This step assigns the role based on cross category of consumers market trend, retailer have to make choices about which category are more important and which is less important.

(A). Routine Category: In this category daily routine category involve like toothpaste, shampoo, soap, shaving cream, etc.

(B). Seasonal Category: In this Category include seasonal products categories like Rain court, umbrella, mangos, cold drink, OR Festival Seasons (Diwali, Christmas,)

(C). Convenience Category: Customers are always prefer from retail store like Butter, eggs, milk, tea-coffee, etc.

3. Category Assessment

Under the category assessment step the retailer conduct an analysis of the category, sub category, segment, with respect to sales, turnover, profit, reviewing customers, market retailers and supplier's information and determine the strength, weakness, opportunity, and threats of a particular category.

4. Set Objective & targets for Category / Performance

To improve the performance retailer have to set objectives that are useful for achievement of the category business plan.

5. Category Strategy

In this strategy retailer have to develop the marketing and

supply strategy that determine the category role and performance objective.

- 1) Provide Quality
- 2) Variety of products
- 3) Efficient prices
- 4) Delivery of goods
- 5) Good service

6. Category Tactics

Category Tactics are used to determine the optimal category assortment, pricing, and promotion, essential to ensure that strategies put are on right track.

7. Plan Implementation Program

This step used to implement the category plan through a schedule and responsibilities. Implementing category plan as per the objectives to success of category management, when to do, what to do, and who will do it.

8. Category Review

This is the final step in category management process. Category review judge the performance of category and identify key areas of opportunity and threats to overcome.

The Literature Review

Title: Category Management – It’s not just for big retailer anymore.

Author: James W. Hsmister, February 2008

This study is about Category Management is not just for big retailers but, also for small independent retailers, and to aware small retailers to category management eight step process, challenges, strategies, to grove and develop the small retail business. In this study giving suggestion for using the technology to easy and efficiency of the work

Title: The impact of category management on retailer price and performance

Author: Suman Basuroy, Murali K. Mantrala, & Rockney G. Walters, October 2001

Category management aim that improving retailers overall performance. In product category through more co- ordinate buying merchandising, and pricing of all brands in category. Retailer and merchandiser interested in category management process and rapid adoption on Market. Category management recognise toward products in category and improving performance of whole product’s categories rather than product’s individual brand.

Title: Indian Retailer: Improving category management

Author: Hemant kabag, Devashish Mukherjee, Subbendu Roy, 2010

For Indian retailers, strategic category management is key of reducing cost, increasing sales, and improving profit margins, and all this happened while keeping customers happy and fully satisfied. Indian retailers make strategies to make grab customers attraction and interest through availability of categories of products, merchandise and presentation. So, Indian retailers improving in category management.

Title: Effects of the implementation of product category management in large retail companies.

Author: Gasovic, M[ilan], 2011

Category management is a system of managing individual products, products range, brands and product category. In this research’s result we indicate that category management concept accepted because they realise that it is efficient way

to manage their entire product range and they gain more benefits from it so, big companies of western region launching the concept of category management.

Title: Interaction approach to category management towards collaborative Manufacturer-retailer relationship.

Author: Arto Lindblom¹, 1999

This is category management, which aim to managing product category as business unit and customizing to satisfied customer’s need. In this study an interaction approach is introduce to illustrate how category management can linked to development of long term between manufacturer and retailers relationship.

In this study discussed some point, 1) there is interacting parties, 2) interact with category management process, 3) Nature of relationship, etc.

Research Objective and Methodology

Research objective

1) Primary objective

- To study on category management at Dhiraj sons
- To check satisfaction level of consumers with category management.

2) Secondary Objective

- To know how Category Management influence on the consumers purchase behaviour.

Data Collection Method

1) Primary Data

- Questionnaire Method

The questionnaire (also called survey) is a set of questions given to a sample of people

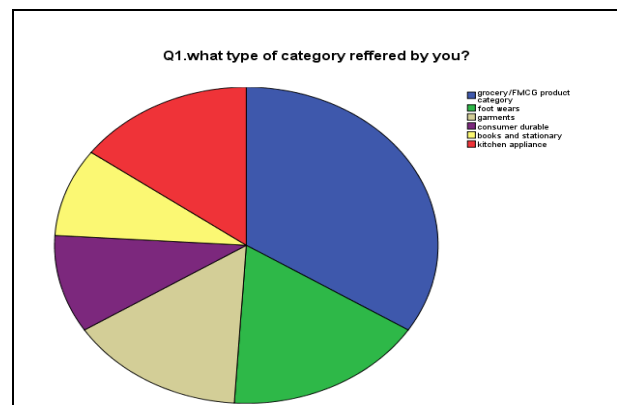
2) Secondary Data

- Internet

Data Analysis

Q1. What type of category referred by you?

	Frequency	percentage	Valid percentage	Cumulative frequency
Valid Grocery/FMCG product category	34	34.0	34.0	34.0
Foot wears	17	17.0	17.0	51.0
Garments	15	15.0	15.0	66.0
Consumer durable	10	10.0	10.0	76.0
Books and stationery	9	9.0	9.0	85.0
Kitchen appliance	15	15.0	15.0	100.0
Total	100.0	100.0	100.0	



Interpretation: In store different type of category referred by the customers where grocery and FMCG products are

refer 34%, footwear category 17%, garments are 15%, consumer durable are 10%, books and stationary 9%, and kitchen appliances are 15%.

One-Sample Test						
	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q6.Grocery and Non-food (FMCG)	21.623	99	.000	2.240	2.03	2.45

H0: grocery and non-food (FMCG) product category are not more satisfied by customers

H1: grocery and non-food (FMCG) product category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace grocery and non-food (FMCG) product category are more likable by customers

One-Sample Test						
	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q7.consumer durables	18.815	99	.000	2.010	1.80	2.22

H0: consumer durable product category are not more satisfied by customers

H1: consumer durable product category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace consumer durable product category are more likable by customer

One-Sample Test						
	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q8.foot wears	22.761	99	.000	2.590	2.36	2.82

H0: foot wear product category are not more satisfied by customers

H1: foot wear product category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace foot wear product category are more likable by customers

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q9.garments	22.942	99	.000	2.33000	2.1285	2.5315

H0: garments category are not more satisfied by customers

H1: garments product category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace garments product category are more likable by customers

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q10.visual merchandising	22.112	99	.000	2.200	2.00	2.40

H0: visual merchandise category are not more satisfied by customers

H1: visual merchandise category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace visual merchandise product category are more likable by customers

One-Sample Test						
	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q11.category are based on consumers demand	20.766	99	.000	2.170	1.96	2.38

H0: category are based on consumer demand category are not more satisfied by customers

H1: category are based on consumer demand category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace visual merchandise product category are more likable by customers

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q12.availability of product category	22.494	99	.000	1.940	1.77	2.11

H0: availability of product category are not more satisfied by customers

H1: availability of product category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null hypothesis is rejected which menace availability of product category are more likable by customers

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q13.different types of product category	20.541	99	.000	1.840	1.66	2.02

Interpretation

H0: different types of product category are not more satisfied by customers

H1: different types of product category are more satisfied by customers

The above table shows that the significant test value is 0.000 which is less than significance level 0.05 hence, null

hypothesis is rejected which menace difference of product category are more likable by customers

Discussion

The purpose of this study was to study on category management at Dhiraj sons & to check satisfaction level of consumers with category management. There are 100 respondents are covered in study which are customers of Dhiraj sons. Here we have check satisfaction of respondents. Here we find out positive response of consumers towards category management of Dhiraj sons.

Conclusion

This study is for a study on category management at retail store, at Dhiraj sons to check satisfaction level consumers with category management and also to know how category management influence on the consumers purchase behaviour. On the basis of study here find out that customers are satisfied with Dhiraj sons toward managing the product category in proper way and it was also influence customer for their purchase behaviour on basis of different type of product category offered in different size and quantity. Through this study find out the satisfaction of consumers and category management influence on their purchase behaviour.

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