

## An Analysis of Innovative Product Development among Women Entrepreneurs in Coimbatore City

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### Abstract

Product development is an intellectual process. It has a variety of potential benefits ranging from first mover advantage, extended sales lives, greater customer responsiveness and market value. It seems to have desire knowledge on product development of women entrepreneurs in Coimbatore city. Multistage sampling techniques have been employed in the selection of 300 women entrepreneurs engaged in service and manufacturing sector. Data were collected primarily using interview schedule. Data were analysed using percentage analysis, Descriptive analysis, chi-square analysis and ANOVA. The result reveals that the respondents, experience, creativity and innovation have been the most significant determinants in development of product/service.

**Keywords:** Product development, creativity, innovation

### Introduction

Marketing mix practice is increasingly been adopted in all the sectors of the economy. Marketing mix practice has been a major determinant of any organization's short run and long run success and differential advantage in any marketing environment. Marketing practice is also a process of developing and maintaining a strategic marketing plan between the organizational goals and capacities and changing marketing opportunities, it relies on developing a clear entrepreneur business enterprises objective in order to increase the level of productivity. The need for marketing practice by entrepreneur cannot be over emphasized. The evolution of different marketing practices with different products and increased rate of competition brings about the need to develop marketing approach, which will serve as a platform for development and survival of the entrepreneurial business.

Product refers to the goods and services offered by the organisation to the consumer for a price. A pair of shoes, a plate of dahi-vada and lipstick all are products. All these are purchased because they satisfy one or more of the needs. Product can also take the form of a service like an air travel, telecommunication, etc. Thus, the term product refers to goods and services offered by the organisation for sale. Product refers to the goods and services offered by the organisation for sale. The marketers have to recognize that consumers are not simply interested in the physical features of a product but a set of tangible and intangible attributes that satisfy their wants. For example, when a consumer buys a washing machine he is not buying simply a machine but a gadget that helps him in washing clothes. In a broader sense, product not only includes physical objects and services but also the supporting services like brand name, packaging accessories, installation, after sales service etc.

### Product Classification

Product can be broadly classified as non-durable goods, durable goods and services.

**(a) Durable Goods:** Durable goods are products which are used for a long period i.e., for months or years together. Examples of such goods are refrigerator, car, washing machine etc. Such goods generally require more of personal selling efforts and have high profit margins. In case of these goods, seller's reputation and presale and after-sale service are important determinants of purchase decision.

**(b) Non-durable Goods:** Non-durable goods are products that are normally consumed in one go or last for a few uses. Examples of such products are soap, salt, pickles, sauce etc. These items are consumed quickly and we purchase these goods more often. Such items are generally made available by the producer through large number of convenient retail outlets. Profit margins on such items are usually kept low and heavy advertising is done to attract people towards their trial and use.

**(c) Services:** The service sector consists of the "soft" parts of the economy, i.e. activities where people offer their knowledge and time to improve productivity, performance, potential, and sustainability. The basic characteristic of this sector is the production of services instead of end products. Services (also known as "intangible goods") include attention, advice, access, experience, and discussion.

### Objective of the Study

- To analyse the innovative and development of product by women entrepreneurs

### Methodology of the Study

The present study has been taken up in the Coimbatore city, in the state of Tamilnadu. Both primary and secondary data have been used for this study. Random sampling technique is used in this study. An interview schedule was used to collect data from 300 respondents. The study was conducted from December 2014 to February 2015.

## Analysis and Interpretation

### Product Profile

Table 1 shows the respondents' decision relating to the product and purchase of material required for the product.

**Table 1: Product Decision**

<b>Factors</b>	<b>Description</b>	<b>No.</b>	<b>per cent</b>
Products dealt with	Non durable goods	55	18.3
	Durable goods	71	23.7
	Services	174	58.0
Factors determining the Choice of product/ Service	More Demand	95	31.7
	Availability of Resources	41	13.7
	Profitability of Product	72	24.0
	Knowledge about the product/Service	92	30.7
Product/Service design	Based on Competitors product/service	47	15.7
	Based on Existing product/service	84	28.0
	Based on experience	83	27.7
	On my Own	86	28.7
Source of Purchase of Materials	Local purchasing	194	64.7
	Outside the states	51	17.0
	Importing	32	10.7
	Others	23	7.7
Mode of payment for purchases	On Cash Basis	124	41.3
	On Credit Basis	30	10.0
	Both	144	48.0
	Any Other	2	.7
Most significant Determinants of product/ service development	Market potential and competitiveness	45	15.0
	Technological changes	64	21.3
	Experience Creativity and innovation	124	41.3
	Managerial interest	23	7.7
	pressure from suppliers and customers	44	14.7
Target Group	Students	44	14.7
	House wife	18	6.0
	Working women	44	14.7
	Young women	41	13.7
	General public	153	51.0
Customer Classification	Upper class	35	11.7
	Middle class	243	81.0
	Lower class	22	7.3
<b>TOTAL</b>		<b>300</b>	<b>100.0</b>

Source: Primary Data

**Type of Product:** It is inferred from the table 1 that out of the total respondents taken for the study, 58 per cent of the respondents deal with services, 23.7 per cent of them deal in durable goods and 18.3 per cent deal in non-durable products. Majority of the respondents are in the service sector, since it is risk less and investment less business.

**Factors determining choice of Product/Service:** The study reveals that about 31.7 per cent of the respondents have chosen the product/service because of high demand for the same. 30 per cent of the respondents have chosen the product/service because they have knowledge about the products, 24 per cent of the respondents have chosen the product/service as they are more profitable, and 13.7 per cent of the respondents have chosen the product/service since resources required are available. It is inferred that there has been high demand for the product/service helps to run the business in successful manner.

**Product/Service Design:** The knowledge or experience of the respondents regarding the product helps them to design the product according to the needs of the customers. Among the 300 respondents, 28.7 per cent of them have designed their products/ services on their own, 28 per cent of the respondents have designed their products/services based on existing products/services, 27.7 per cent of them have designed their products/services based on their experience, and 15.7 per cent have designed them based on the competitors' products/services. Hence it may be inferred that the respondents training skills have helped them to design their products/services on their own.

**Source of Purchase of Material:** In the sample, 64.7 per cent of the respondents purchase the material locally, 17 per cent of them purchase the materials from outside the state, 10.7 per cent of the respondents import the materials and 7.7 per cent purchase material from other sources.

**Mode of payment for purchase:** 48 per cent of the respondents purchase material on cash and credit basis, 41.3 per cent of them purchase material on cash basis, 10 per cent of the respondents buy material on credit basis and 0.7 per cent of them purchase material on other basis. Hence, both cash and credit basis method is adopted by the respondents according to convince in purchase of material for business.

**Determinants of Product/Service Developers:** For 41.3 per cent of the respondents, experience, creativity and innovation have been the most significant determinants in development of product/service. For 21.3 per cent of the respondents' technological changes has been the most significant determinant. For 15 per cent of them market potential and competitiveness, for 14.7 per cent of them pressure from suppliers and customers and for 7.7 per cent of them managerial interest has been the most significant determinant in development of product/service. It is inferred that for most of the respondent experience, creativity and innovation have been the most significant determinants in development of product/service. Hence, without creativity and innovation business cannot survive.

**Target Group:** In the analysis, 51 per cent of the respondents target on general public to market their products; 14.7 per cent of them target on students and working women; 13.7 per cent of the respondents' target is young women and only 6 per cent of them target on House wives. It is revealed that majority of the respondents target on general public to market their products, since they have more opportunity to market their product/service.

**Classification of Customers:** The study reveals that about 81 per cent of the respondents' customers belong to middle class, 11.7 per cent of their customers belong to upper class and 7.3 per cent of their customers belong to lower class. Hence, it is inferred that most of the respondents' customers are middle class which helps the respondents to market their products in bigger level. Since wide contacts and reaching them is easy.

**Opinion of Respondents Regarding Selection of Product/Service**

Table 2 gives a brief note on the respondents' opinion on selection of product/service. The opinion regarding demand for the product/service, government subsidies, availability of resources, branding & quality as well as knowledge of the product have been analysed.

Descriptive analysis is been used to find the mean rating for the opinion regarding selection of product/service. The rating is assigned for a set of statements as 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree, 1 for strongly disagree. The opinion is measured by summing up the rating given by the respondents for 5 items on 5 point scale. High rating indicates strong agreement to the factor in selection of product/service.

**Table 2:** Opinion of Respondents Regarding Selection of Product/Service

Items	N	Minimum	Maximum	Mean	SD
Demand for the product/Service is an important criteria to decide the type of product/Service	300	2.00	5.00	4.4367	0.6983
Government subsidy is an important criteria to decide the type of product/Service	300	1.00	5.00	3.3500	1.0317
Product /Service chosen should be based on availability of resources	300	1.00	5.00	3.8433	1.2181
Branding and quality standard are essential	300	1.00	5.00	4.2300	.8120
Knowledge and self-interest of the member decides the type of the product	300	1.00	5.00	4.2300	.8716
Selection of product/service Overall Score	300	14.00	25.00	20.09	2.3

Source: Primary Data

It is inferred from table 2 that out of the total 5 statements included in the study, the average rating has been the highest (4.4367) for the demand for the product /service which signifies that it is an important criterion to decide the type of product/service, followed by branding & quality standard and knowledge & self-interest of the respondents both having a mean rating of (4.2300) each. The lowest rating is given to availability of government subsidy. Standard deviation is low for the demand for the product /service, it implies that the respondents have highly agreed that based on demand they choose the product/service. Hence it is inferred that the highest rating is assigned to demand for the product/service in selection of a

product/service, branding and quality standards are essential and knowledge as well as self-interest of the member decides the type of the product by the respondents.

**Business Infrastructure and Choice of Particular Product/Service**

Table 3 describes the relationship between the business infrastructure like type of enterprise, total capital invested and annual turnover of the business of the respondent and choice of particular product/service. Chi square is performed.

**H<sub>0</sub>:** There is no significant association between the business infrastructure and the factors affecting the choice of particular product/service of the respondents.

**Table 3:** Business Infrastructure and Factors Affecting the Choice of Product/Service

Business Infrastructure	Classification	Choice of Product/Service								Table value	Chi Square value	Sig
		More Demand		Availability of Resources		Profitability of Product		Knowledge about the product/ Service				
		No.	per cent	No.	per cent	No.	per cent	No.	per cent			
Type of Enterprise	Manufacturing	20	27.0	11	14.9	26	35.1	17	23.0	7.815	7.742	NS
	Service Rendering	75	33.2	30	13.3	46	20.4	75	33.2			
Total Capital Investment	Up To ₹.50000	18	34.0	8	15.1	8	15.1	19	35.8	25.00	28.797	*
	₹.50001-100000	8	12.9	9	14.5	16	25.8	29	46.8			
	₹.100001 - 300000	36	36.0	15	15.0	27	27.0	22	22.0			
	₹.300001 - 500000	21	44.7	4	8.5	9	19.1	13	27.7			
	₹.500001 - 1000000	7	30.4	2	8.7	10	43.5	4	17.4			
	Above ₹ .1000000	5	33.3	3	20.0	2	13.3	5	33.3			
Annual Turnover	Less than ₹ .100000	26	29.5	15	17.0	17	19.3	30	34.1	12.592	4.102	NS
	₹. 100000-1000000	66	33.5	24	12.2	50	25.4	57	28.9			
	₹. 1000000-5000000	3	20.0	2	13.3	5	33.3	5	33.3			
TOTAL		95	31.7	41	13.7	72	24.0	92	30.7			

**Type of Enterprise:** It is seen that among the 226 respondents who have service rendering enterprise, 33.2 per cent of the respondents have chosen the service rendering enterprise because of more demand for the service and their knowledge about the service. 35.1 per cent of them who have manufacturing enterprise have chosen the product because of profitability of the product.

It is identified from the chi-square test that there is no significant association between the type of enterprise and factors determining choice of product/service. Hence the null hypothesis is accepted. As the product varies according to the type of enterprise there is no association among type of enterprise and factors affecting choice of product/service.

**Total Capital Investment:** Out of the respondents who have total capital investment up to ₹.50, 000 in their business, 35.8 per cent of them have chosen the product/service because they have knowledge about the same. Also 46.8 per cent of the respondents who have capital investment of ₹.50, 001 – 1,

00,000 have chosen the product/service because they have knowledge about the product/service, whereas 33.3 per cent of the respondents having above ₹.10,00,000 of total investment have chosen the product/service because of more demand and their knowledge of the same.

It is observed that, there is a significant association between total capital investment and factors determining the choice of product/service. Hence the null hypothesis is rejected. According to the availability of capital the choice of product/service is made.

**Annual Turnover:** It is found that among the respondents who have annual turnover less than ₹.1, 00,000, 34.1 per cent of them have chosen the product/service because of their knowledge about the same.

It is observed from the chi-square test that there is no significant association between annual turnover of the business and the choice of product/service. Hence the null hypothesis

has been accepted. The annual turnover of the business differs according to the choice of product/service.

### Business Infrastructure Vs Opinion of the Respondents in Selection of Product/Service

Table 4 describes the opinion of the respondents in selection

Of product/service among type of enterprise, capital invested and annual turnover.

**H<sub>0</sub>:** The opinion of the respondents in selection of product/service scores does not vary significantly among the business infrastructure based on the selected factors.

**Table 4:** Business Infrastructure Vs. Opinion of Respondents in Selection of Product/Service

Business Infrastructure	Classification	Selection of Product/Service			Table value	F	Sig
		Mean	SD	No			
Total Capital Investment	UP TO ₹.50000	19.49	2.15	53	2.245	1.713	NS
	₹.50001- 100000	19.76	2.01	62			
	₹.100001-300000	20.26	2.43	100			
	₹.300001-500000	20.36	2.33	47			
	₹.500001-1000000	20.78	3.00	23			
	Above ₹.1000000	20.53	2.17	15			
Annual Turnover	Less than ₹.100000	19.82	2.30	88	3.026	1.651	NS
	₹.100000-1000000	20.26	2.33	197			
	₹.1000000-5000000	19.47	2.56	15			
<b>TOTAL</b>		<b>20.09</b>	<b>2.34</b>	<b>300</b>			

Source: Primary Data NS – Not Significant

**Total Capital Investment:** The mean value is high for the respondents who have total capital investment between ₹ .500001-1000000 (20.78) followed by the respondents who have invested capital above ₹.1000000 (20.53). The respondents who have invested up to ₹.50000 have the lowest level of mean score (19.49).

ANOVA f-ratio value is 1.713, and it shows that the opinion on selection of product/service does not differ significantly based on the total capital invested by the respondents. Hence, the hypothesis is accepted.

**Annual Turnover:** It is found from that the opinion on selection of product/service is high for the respondents who have annual turnover of ₹.100000-1000000 (20.26) followed by the respondents with annual turnover less than ₹.100000 (19.82). The respondents with annual turnover of ₹.1000000-5000000 have relatively the lowest score (19.47).

ANOVA f-ratio value is 1.651, and it shows that the opinion on selection of product/service does not differ significantly based on the annual turnover of the business. Hence, the hypothesis is accepted.

Business infrastructure factors dose not vary among the opinion of the respondents in selection of product/service. Hence, the product may differ according to total capital investment and annual turnover of the business.

### Conclusion

It can be said that the women entrepreneurs have chosen services sector because of high demand, since it is risk less and needs less investment in business. The training skills have helped them to design their product/service on their own and awareness regarding market had helped them to choose high demand product/service. The respondents target on general public and middle class people, which will help to market their product/service at wider range and reaching more number of people easily. Thus Experience, creativity and innovation have been the most significant determinants in development of product/service.

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