



## Retailers' perception on packaged Chilli powder: A study on Karani spices, Warangal (Telangana)

Dr. V Rana Pratap

Lecturer, Department of Commerce & Business Management, P.G. Centre, Lal Bahadur College Warangal, Telangana, India

### Abstract

Retail is an emerging and significant sector in India. Retailing is an important activity in the present day business environment. Consumer goods businesses have to satisfy retailers in order to increase their businesses. The relation with retailers assumes significance in the FMCG sector especially for packed goods. In this connection, a study is undertaken to understand the retailers' perception towards packed spices. For this purpose, chilli powder, a widely used condiment is taken. The study is conducted in Warangal city of Telangana state on retailers selling KARANI brand chilli powder. Their perceptions on the select company's pricing, promotion, quality, trade discount etc. are elicited. It is observed that most of the respondents are satisfied with the pricing, trade discount, promotion activities of the company.

**Keywords:** retailing, perception, chilli powder

### Introduction

The word retailer has been derived from the French word "Retail" which means to sell in small quantities, rather than in gross. An organization selling to final consumers—whether it is a manufacturer, wholesaler, or retailer can be assumed as doing retailing<sup>[1]</sup>. A retailer can be defined as any business which gets majority of the sales from retailing<sup>[2]</sup>.

Retailers are very important as they convey consumers' ideas, suggestions and complaints of two company<sup>[3]</sup>. A Retailer perceives the products from many points. Retailer also perceives the products in the same way as consumer does but with a slight difference in use of products. A consumer perceives the product from the point of view for final consumption but retailer perceives the product with a view to maximize his profits. By providing attractive incentives, proper discounts and other required allowances to the retailers will improve the company sales and image<sup>[4]</sup>.

The companies which offer maximum profits to retailer and provide better sales promotion schemes, treat fairly etc. are winners. The perception process of retailers also consists of the components like retailer imagery, perceived product quality, perceived service quality, retailers' attitude etc.

### An Overview of Chillies Market in India

Chilli occupies an important place in Indian agricultural market. It is an indispensable item in the kitchen as it is consumed daily as a condiment in one form or the other. Among the spices consumed per head, dried Chilli constitutes a major share. Chillies were first introduced into India in the 15<sup>th</sup> century. Today they are popular spice used in the preparation of food, preservation of food and used in pharmaceutical industry. India ranks second among world chilli exporters and has showed a steady decline in chilli export trade due to higher consumption level in the domestic market.

KARANI Spices had germinated from the KARANI Trading

Company, set up in the sixties by Sri Devji Lalji Karani in Warangal. From a trading company in the sixties to being the largest manufacturer of ground spices in Telangana Pradesh, KARANI Spices has grown from strength to strength.

### Importance of the Study

Chilli processing industry is a small scale agro based industry which majorly converts dry chilli to chilli powder in order to meet the local dietary needs. This industry also provides gainful employment not only to the skilled but also to unskilled labor. In recent years chilli processing industry is facing hardship to compete with other processing countries, where more chilli processed at low cost, offering at cheaper price.

In this backdrop, the proposed study is intended to assess the retail markets and the perception of retailers with regard to KARANI Spices products located in Warangal, Telangana state. This study examines the marketing strategies of KARANI Spices in retail markets in terms of its marketing mix and prevailing competition. It would be useful to the firm in formulating its strategies in expanding its markets and product portfolio.

### Objectives of the Study

The present study is undertaken with a major objective of analyzing the perceptions of KARANI Spices retailers in Warangal city on its products. Keeping in view of this, the following specific objectives relevant to the study are framed;

1. To analyse the opinions of the select retailers on quality of KARANI products,
2. To assess the price perceptions of the select retailers on KARANI products,
3. To examine the sufficiency of KARANI Spices promotion programs, and
4. To recommend suitable suggestion for improvement of KARANI Spices Business.

## Data and Methodology

The data required for the study is collected from primary and secondary sources. Primary data is collected by preparing a well structured questionnaire with suitable questions. It is administered to around 110 retailers of KARANI Spices Company dealing in the tri cities of Warangal, Hanamkonda and Kazipet. The data collected is analyzed using percentages and tabulated. The secondary data pertaining to the study is obtained from company, related websites and other sources.

## Limitations of the Study

The following are the limitations of the present study.

1. The interpretations and conclusions emerged from the study may be influenced by the researcher's subjectivity.
2. The sample is only 110 retailers in Warangal city.
3. The opinions of the select retailers may not be representative of those of entire population.
4. Some respondents could not allot required time for completing the questionnaire as they were very busy in their routine busy activities.

## Respondents' Profile

Out of the 100 selected retailers 90% retailers are male and the remaining 10% are female. From among them, 34% maintain only wholesale shops. Another 34% maintain only retail shops. At the same time, 24% respondents do business on both wholesale and retail. The remaining 8% respondents maintain super bazaars. It is also observed that 85% respondents have been doing the business for more than 8 years. Further, it is seen that almost all the retailers sell many brands of chilli powder.

## Data Analysis

1. **Preferred Packaging Size:** It is observed that 47% of respondents preferred 500 grams of packs followed by all sizes (24%). Another 20% respondents preferred 100 grams packs followed by 50 grams (6%). The remaining 3% retailers preferred 200 grams packs.
2. **Purchasing Frequency:** around 42% respondents are purchasing the stock from KARANI Spices on weekly basis. Another 35% are doing it once in a fortnight.
3. **Brand Recommendation to Customers:** It is found that that 49% of retailers are sometimes advising their customers. Another 36% always advised their customers. The remaining 15% retailers never gave any advice to customers.
4. **Perception on Quality of KARANI Spices Products w.r.t. Other Competing Brands:** It is observed that 73% of retailers selected for the study opined that the quality of KARANI Spices products is superior to that of competing brands. The remaining 27% felt that both are almost the same.
5. **Perception on Price of KARANI Spices Products w.r.t. Other Competing Brands:** Majority of the respondents (71%) perceived the price of KARANI products as almost equal to the prices of competing brands. Another 26% felt that KARANI products are expensive than other brands.
6. **Perception on Promotion of KARANI Spices Products w.r.t. Other Competing Brands:** Around 81% of respondents opined that promotion schemes of KARANI

products are better than those of competing brands. Another 17% felt that they are almost similar.

7. **Perception on Trade Discount given by KARANI Spices Products w.r.t. Other Competing Brands:** Around 52% retailers have felt that the trade discount, allowances and incentives offered by KARANI Spices are almost on par with other companies' offerings. The remaining felt that they are higher.
8. **Perception on Adequacy of KARANI Spices Promotion Programs:** Nearly 62% of the sample opined that the promotion programs adopted by KARANI Spices are sufficient to face the competition. The remaining 38% felt that there is a need to step up the activities.
9. **Perception on Nearest Competitor to KARANI Spices Products:** Majority of the retailers feel that there is no real or near competitor to KARANI Spices in the select market. Another 35% retailers opined that Aashirwad brand from ITC Company is the nearest competitor. A few respondents mentioned some other companies namely Ganesh, Priya, Swastika and Ena.
10. **Expectations on New Products introduction by KARANI Spices:** Around 70% of the sample is not sure of introduction of any new product from the company. At the same time, 22% respondents are expecting a new product from the firm.

## Conclusion

It is observed that the KARANI Spices Company should introduce its products into organized retail stores such as Spencers, Reliance Retail, and More as there would be more visibility of company's brands. The organization should expand its product portfolio by following brand extension strategy taking advantage of its strong brand value and image in the market. There is a necessity of increasing the company's promotion activities in order to keep the brand on top of the minds of the customers. Further, it is strongly recommended to design innovative marketing strategies to face the ever increasing competition from bigger national and multinational players.

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