CONSUMER PATRONIZATION THROUGH EFFECTIVE CATEGORY MANAGEMENT IN SILK SAREE RETAILING AT KANCHIPURAM TOWN

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ABSTRACT
Retailing is the essence for fulfilling our day to day consumption. The retailers who assume the risk on behalf of every consumer and deliver the product and services at their time of requirement. They are the prominent element in marketing channel of every business and who transform utility value to the consumer viz through form, place and time. The buyer preference of selecting the product or services from retailers is on choice motive rather than product. In this aspect, silk is the product category fall under specialty buying where the consumers spend sizeable energy, time, money and psychological aspects.It is the shopping product category where the buyer devotes more comparison on product, design,colour, fashion, style and price. In addition to that, the processes of buying silk by consumers involve variety seeking aspect. Kanchipuram Silk is illustrious for its brand value and consumer from different part of the country prefer buy silk saree from the shops of Kanchipuram. But at the same time, the number of retailers who sells Kanchipuram saree is increased in recent years. It is sold by medium to large scale organized and unorganized retailers belong to the category of private, co-operative and corporate entities. The process of selling silk, category management is given due importance by the sellers in order to attract and retain the buyers. It is very fewer amounts of studies have been done to understand the influence of category management on consumer patronization and it is new to undertake a special study on silk retailing. In this aspect, the present study aim to understand the role of consumer patronization through effective category management by silk retailers at Kanchipuram Town.

Key Words: Category Management, Consumer Retention, Marketing Channel, Utility, Choice Motive, Product Motive, Specialty Buying, Brand Value.

1.1. INTRODUCTION

Retailing is the inevitable channel structure in any form of marketing. It is the essential entity in any form business. Retailing is the process of buying or obtaining the product or services from the manufacturers or its associates and deliver to the ultimate consumers as required for their ultimate individual or family consumption. Retailers through their retail business transform the value of product or services to the consumers in order to satisfy their needs and enhance their consumption requirements. According to Kent and Omar (2003:153),"A retailer's products and services must relate to their target markets and attract customers to buy on the basis of their performance and price". The utility values through form, place, time and preference of every consumer is equated by retailers by saving their searching and evaluation cost. The retailers are prominent promoter who reduce our travelling time and make the products or services available at our convenience.

The growth phase of retailing formats in India augmented with different dimension from street vendors to organized retailing. The present stage of organized retailing of various products and services involve strategic selling. The retailers are emerged as the separate business entity while compare to manufacturers. The era of retailers approached the manufactures have been totally reshaped where in which the manufacturers are waiting for every retailers to stock their products or services. In addition to that, the attitude of buyers towards retailers is also changed due to the intake of recent changes in retail formats and the entry of organized retailers. According to Martineau (1958) categorized store attributes in two main categories: functional and psychological. The functional category includes attributes like location, assortment of products and store layout. The psychological category represents the feelings generated by the functional elements of the store.

Due to the competitive climate in organized retailing, the retailers give due importance for shop management and customer retention. Since different formats of retailing deal same product and brand category, the users give

importance for retailer services, stock keeping unit, pricing range, customer handling and promotional offers. Moreover, the business activities of retailers are also focused on customer patronization and retention through category offering.

Category management has become an indispensable element in the retailing marketing of any product or services. Category management (CM) is a recent retail management initiative that aims at improving a retailer's overall performance in a product category through more coordinated buying, merchandising, and pricing of the brands in the category than in the past. Category management is a process that involves managing product categories as business units and customizing them on a store by store basis] to satisfy customer needs. (Nielsen' 2009).

Johnson (1999) the benefits of CM for a supplier organization are maximized when there is a purchase marketing strategy in place for the category. Purchase marketing is essentially using the store as a marketing medium, via tools such as position on shelf, pricing, communications and in-store promotions. Traditionally this has been the prerogative of retailers who own the stores. It is a challenge for the supplier to provide compelling arguments for the retailer to adapt, refine or even change the way they use the tools of the category to benefit the category as a whole and of course the supplier's position within it, thereby satisfying the business interests of both parties. The present day organized retailers are looking for customer foot falls on every day.

Among the retailing of various products and services, silk retailing occupy the character of impulse buying under shopping goods category. The growth of silk market from traditional commodity to branded product, the consumer preference of buying silk is heavily influenced by retailer and their retailing background. The importance of brand and promoters are given least importance. The promotion of silk products are influenced by consumer psychology, location index and sentimental cum cultural values. The pricing part of silk products are given less weightage by consumers while compare to variety seeking, features, design, quality, model, colour and retailers atmospheric. In this aspect, the present day market condition for silk products are totally reshaped in terms of retail selling strategy, source and format of selling. The branding and promotion also penetrated in the retailing of silk products. In this aspect, the trends in silk retailing demands the retailers to give due importance for category management through scientific selection process and match the requirements of consumers. Moreover, the selling formats of silk retailing are done through manufacturing cum retailing, branded retailers, co-operatives and private showrooms and in which the category management plays an important role on consumer patronization and retention.

1.2. REASON TO CHOOSE THE TOPIC AND STUDY UNIT

Silk is the product category purchased by consumers on special occasion. It is the product through retail patronization rather than brand image. Silk products invariably attract different segment of consumers through product and design appeal. It is the specialty goods purchased by consumers under shopping category by spending energy, time, comparison and observations. The buying behaviour of silk products are influenced by economic, psychology, culture and variety based attributes. In addition to that, the extension of innovative retail formats and shops under organized and traditional unorganized sources give in depth importance for category management through variety, stock keeping units, design, colour, brands and features in order to encourage consumer patronization and retention. In addition to that, among the illustrious location for the purchase of silk and its related products, Kanchipuram stands for its identity. It also comprises the silk manufacturers and retailers, co-operative retail shops supported by government, branded organized retailers, medium sized shops and traditional unorganized retailers. The housing of different retail formats for the promotion of silk and its related products in Kanchipuram encouraged this particular research topic on understanding the role of category management on consumer patronization.

1.3. STATEMENT OF THE STUDY PROBLEM

Consumer patronization and retention has become a challenging avenue in the present day marketing. Among the issues faced by marketers towards consumer patronization and retention, retailers are facing and employ various retailing practices and strategies compare to other channel members from manufacturer to middlemen. The

retailing practices employed by retailers towards consumer patronization and retention differ based on the types of product and services. Among these, category management has become an unavoidable measuring parameter for consumer patronization. The category management especially employed in silk retailing toward consumer patronization significantly differs based on the background of retailer, retailing practices, method of merchandising management, category planning,variety and shop management. It is also influenced by pricing and promotion tool. In order to understand the influence of category management of silk retailing business on consumer patronization, the particular study has been designed.

1.4. OBJECTIVES OF THE STUDY
1. To know the business profile of silk retailers in Kanchipuram Town.
2. To understand the category management practices adopted by silk retailers.
3. To learn the influence of category management of silk retailing on consumer patronization.
4. To describe the factor validity and impact of category management on consumer patronization.

1.5. SCOPE OF THE STUDY
The study covers business profile of silk retailers in Kanchipuram Town. It describes the retailing pattern of silk and its related products. The opinion of retailers about consumer management and strategies adopted by them to retain consumers is also verified in the study. The sources of category management and its methods are outlined in the study. The influence of category management on consumer patronization and retention are also tested in the present study. The impact of category management on selected outcome retail practices are described in the study.

1.6. HYPOTHESES OF THE STUDY
1. The category management does not significantly differ among the different format silk retailing.
2. The influence of category management related attributes do not significantly differ on consumer patronization with reference to different retail format, size of business and type selling.

1.7. LITERATURE REVIEW
Category management" emerged as an   important trend in marketing, especially in the consumer packaged goods industry. As popularly understood, the idea of category management is generally witnessed to be a marketing control system under which the objective is to maximize performance of a large collection of competing brands or products (i.e., the category) rather than individual brands. (Zenor and Zerrillo, 1995). The studies of CM rather indicate that CM is best applicable fo r categories containing packaged products (Dhar, Hoch, and Kumar 2001). Conventionally, providing different roles to categories is a common practice in retailing. Savvy retailers are quite conscious of how different categories play specific roles in accomplishing retail business results. What category management brought in as a difference is to turn this basic role assigning process into an analytical approach, utilizing various customer-centric analytical tools such as "Household Panel Data", "Basket Analysis", "Occasion Analysis" and "Frequent Shopper Data" (Karolefski and Heller, 2006).Customer value (worth what paid for) According to Zeithaml (1988), "perceived value is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given". Consumers' perceptions of value are influenced by differences in monetary costs, non-monetary costs, customers' tastes, and customers' characteristics (Bolton and Drew, 1991).

1.8. RESEARCH METHODOLOGY
The present study aims to understand the influence of category management in silk retailing on consumer patronization is cause and effect in nature and describes the influence process. The study population has been drawn from the retailers of silk in Kanchipuram Town. The existing retail shops under unorganized have been taken for the study. The retailers have been divided into large, medium and small based on the type and volume of business. The sizing of retailer and selecting the sampling unit have been done through judgmental basis. The sample size of 60 has been made for the study. The required data for study has been collected from the retailers through primary sources. The structured questionnaire was used for collecting data through personal interview. The questionnaire comprised the questions in three parts, namely part one comprised the question on understanding the business profile of silk retailer in the study area. The second part included questions on

retailing practices, attributes of category management. The third part comprised question on measuring the category management and its influence on consumer patronization, the impact of category management on selected retailing dimension. The pilot study was conducted among the selected retailers for framing the required questions to test the influence of category management on consumer patronization. The questionnaire after its construction was pre tested for its validity and reliability. Based on the reliability testing, the restructured questionnaire was administered for further data collection. The collected data was edited, coded and tabulated for further analysis and interpretation. The business profile and opinion about retailing practices were analyzed with descriptive statistics. The influence and the impact of category management on consumer patronization and other dimensions were analyzed through selected inferential statistics of ANOVA and multiple regressions.

1.9 LIMITATIONS OF THE STUDY

1. The study has been conducted only in Kanchipuram Town.
2. The categorization of retailers as large, medium and small has been done through type of shop, volume of business and judgmental basis.
3. The categorization influence on consumer patronization has been derived based on the responses of retailer on selected parameters.
4. The overall aspects of retailing promotion and stores management did not cover under this study.

1.10. RESULTS AND DISCUSSION

BUSINESS PROFILE OF SILK RETAILERS IN KANCHIPURAM TOWN

Sl.No	Attributes	Level of Distribution	Number of Respondents	Percentage to Total
1	Type of Business	Large	10	17
		Medium	23	38
		Small	27	45
2	Category of Business	Organized	18	30
		Unorganized	42	70
3	Location of Business	Primary Trade Area	16	27
		Secondary	19	32
		Tertiary	25	41
4	Nature of Business	Exclusive	12	20
		Inclusive	48	80
5	Average Foot Fall/Week	Less than 500	12	20
		501-1000	21	35
		More than 1000	27	45
6	Age of Business	Less than 10 Years	16	27
		11-20	24	40
		More than 20 Years	20	33
7	Monthly Turnover in Rupees (Approx)	Less than Five Lakhs	17	28
		Five to Ten Lakhs	31	52
		More than Ten Lakhs	12	20
Total			**60**	**100**

Source: Primary Data

Table 1.10 infers the business profile of silk retailers in Kanchipuram Town. Regarding the type of retail business, 17 percent are large scale, 38 percent are medium sized and 45 percent are small scale retail business. 70 percent of silk retailing is done through unorganized and 30 percent are organized. In case of location of business of silk retailers, 41 percent are in tertiary area, 32 percent in secondary and 27 percent in primary location.

Regarding the nature of business, 80 percent are inclusive and 20 percent in exclusive in nature. 45 percent shops have more than 1000 foot fall per week, 35 percent have 501 to 1000 and 20 percent have less than 500 foot fall per week in their shops. 33 percent of retail business is happening more than 20 years, 40 percent have 11 to 20 years and 27 percent have less than 10 years. In this aspect of approximate monthly turnover, 52 percent obtain five to ten lakhs, 28 percent have less than five lakhs and 20 percent get more than ten lakhs.

1.11. DEALING CATEGORIES OF PRODUCTS BASED ON TYPE OF BUSINESS

Category of Business	Dealing categories of Products (Silk)					
	Local	Regional	National	Exclusive Imported	All	Total
Organized	2 (33)	3 (60)	4 (67)	3 (43)	6 (17)	**18 (30)**
Unorganized	4 (67)	2 (40)	2 (33)	4 (57)	30 (83)	**42 (70)**
Total	**6**	**5**	**6**	**7**	**36**	**60 (100)**

Source: Primary Data, Figures in Bracket Indicate Percentage to Total.

Table 1.11 shows dealing categories of silk products by retailers based on their type of business. Regarding the dealing of local skill 67 percent of unorganized retailer deal compare to 33 percent of organized retailers. 60 percent of organized retailers deal regional brands compare to 40 percent of unorganized retailers. 67 percent of organized retailers compare to 33 percent of unorganized retailers deal national brands. 57 percent of unorganized retailers deal exclusive import quantities compare to 43 percent of organized retailers. 83 percent of unorganized retailers deal all categories compare to 17 percent of organized retailers.

1.12. PRICE RANGE OF CATEGORIES BASED ON TYPE OF BUSINESS

Type of Business	Dealing categories Price Range Products (Silk)			
	Low Price	Medium Price	High Price	Total
Large	2 (13)	3 (15)	5 (20)	**10 (17)**
Medium	6 (40)	8 (40)	9 (36)	**23 (38)**
Small	7 (47)	9 (45)	11 (44)	**27 (45)**
Total	15	20	25	**60 (100)**

Source: Primary Data, Figures in Bracket Indicate Percentage to Total.

Table 1.12 highlights price range of categories offered by silk retailers based on their type of business. 13 percent of large retailers, 40 percent of medium and 47 percent of small retailers offer lower price range. 40 percent of medium, 15 percent of large and 45 percent of small sellers offer medium price of silk sarees. 44 small retailers, 36 percent of medium sized retailers and 20 percent of large size retailers offer high price ranges in their respective shops.

1.13. OPINION ABOUT THE CATEGORY MANAGEMENT VARIATION BASED ON TYPE OF RETAIL FORMAT

Attributes	Level of significance based on Type of Business (ANOVA)	Remarks
Store location	.002	
Store and visual display	.003	
Store layout	.002	
Varieties display	.004	
Visual effect of display	.003	
Customer handling towards categories	.002	
Category planning	.002	**Significant**
Category discrimination	.004	
Minimum assortment keeping	.003	
Line of balance from inventory to stock in categories	.004	
Replenishment level of category	.003	

Source: Primary Data,

Table 1.13 tests the significance of category management variation on consumer patronization in silk retailing in the selected study location. The influence of category variation related attributes have been tested against type of retail format. The influence of category variation related attributes like Store location, Store and visual display, Store layout, Varieties display, Visual effect of display, Customer handling towards categories, Category planning, Category discrimination, Minimum assortment keeping, Line of balance from inventory to stock in categories and Replenishment level of category significantly differ among the retailers based on their types of retail format. The significance has been tested and obtained through ANOVA at 5 percent level of significance. The obtained values of above said attributes are more that table value, so the null hypothesis has been rejected.

1.14. INFLUENCE OF CATEGORY MANAGEMENT OF SILK RETAILING ON CONSUMER PATRONIZATION BASED ON TYPE OF BUSINESS AND LOCATION.

Attributes	Level of significance based on Type of Business (ANOVA)	Remarks	Level of significance based on Location of Business (ANOVA)	Remarks
Consumer convenience	.0234	**significant**	,0567	Not significant
Consumer Traffic	.0451	**significant**	.0765	Not significant
Consumer repurchase intention	.0678	Not significant	.0341	**significant**
Sourcing and reach ability	.0987	Not significant	.0221	**significant**
Consumer retention	.0124	**significant**	.0445	**significant**
Consumer cost and value	.0256	**significant**	.0251	**significant**
Psychological influences	.0341	**significant**	.0887	Not significant

Frequent shopping	.0865	Not significant	.0187	**significant**
Foot fall to sales conversion	.0216	**significant**	.0443	**significant**
Product variety and ranges	.0478	**significant**	.0887	Not significant
Price range	.0278	**significant**	.0651	Not significant
Store atmospherics	.0556	Not significant	.0421	**significant**
Stock keeping units	.0398	**significant**	.0289	**significant**
Customer relationship management	.0178	**significant**	.0771	Not significant

Source: Computed Primary Data.

Table 1.14 shows the testing of significance difference about the influence of category management related attributes of silk retailing on consumer patronization based on type of business and location background. In order to test the significance ANOVA has been employed by taking the attributes related to category management which influence consumer patronization as dependent variable, the type of business and location as independent variable. From the analysis, it is observed that the aspects like Consumer convenience, Consumer Traffic, Consumer retention, Consumer cost and value, Psychological influences, Foot fall to sales conversion, Product variety and ranges, Stock keeping units and customer relationship management significantly differ based on type of business. **In terms of location background** the aspects like Consumer repurchase intention, Sourcing and reach ability, Consumer retention, Consumer cost and value, Frequent shopping, Foot fall to sales conversion, Store atmospherics and Stock keeping units significantly differ.

1.15. IMPACT OF CATEGORY MANAGEMENT ON CONSUMER PATRONIZATION (MULTIPLE REGRESSIONS)

The impact of category management related aspects on consumer patronization has been verified by applying multiple regression analysis. The aspects which make impact like variety, Store Design, Stock Keeping Unit, foot fall, Category information and so on has been taken as independent variables. The level of consumer patronization has been taken as dependent variable. Among the independent variables, the impact of every attributes and its level of impact have been tested.

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.662[a]	.638	.537	1.200	2.330

Source : Primary Data

Table shows the adjusted R square value which is explaining 53.7 percent of selected variables on dependent variable.

ANOVA						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.135	9	6.237	4.328	.000[a]
	Residual	72.049	50	1.441		
	Total	128.183	59			

Source : Primary Data.
Table shows the level of significance of variables and which is less than .005 and it proves the significant difference exist among the influence of variables of category management on consumer patronization.

	Model	Unstandardized Coefficients		Sig.
		B	Std. Error	
1	(Constant)	1.377	.927	.144
	Variety	.389	.139	.048
	Store Design	.378	.120	.049
	Stock Keeping Unit	.387	.124	.004
	Foot Fall	.454	.123	.021
	CategoryInformation	.328	.128	.052
	Brands	.461	.120	.003
	Shelf Management	.442	.127	.010

Source: Primary Data.

Table infers the influence of attributes of category management on consumer patronization. Based on the extraction, it is observed that the variables like variety, store design, stock keeping unit, brands, foot fall, category information, brand, and shelf management have significant difference on its influence on consumer patronization. Based on the above table, the following equation can be constructed.

Consumer Patronization (Y) = 1.377+
.389(X1)+0.378(X2)+0.387(X3)+0.454(X4)+0.328(X5)+.461(X6)+.442(X7)
The above equation shows all variables have positive impact on consumer patronization, in which the aspects like brands, footfall, shelf management and variety keeping have greater impact on consumer patronization compare to stock keeping, store design and category information.

1.16. FINDINGS
It is found that the retailing of silk saree in the selected study area is done through small size retailers than large scale retailers and unorganized retailing is occupying major share of business. The distribution of retail shops are equally distributed in the selected study location. Inclusive retailing practices occupy 80 percent in the study area and 45 percent of shops get more than 1000 foot fall per week. 40 percent of shops are running between 11 to 20 years and 33 percent run more than 20 years. 52 percent get approximate sales turnover of 5 to 10 lakhs.

It is found that all categories are sold by 83 percent of shops which are unorganized and only 17 percent of shops under organized structure sell all categories. The categories of silk saree with medium price ranges are given importance on category management by large, medium and small size retailers. The category management varies based on location, display process, store layout, customer handling and category discrimination. It also differs in terms of minimum assortment, line of balance and replishment level of category.

The aspects like consumer retention, consumer cost and value, foot fall to sales conversion, stock keeping unit significantly differ on the influence of consumer patronization through category management based on type and location of silk retail business. The impact of foot fall, shelf management, stock keeping unit and variety are high on consumer patronization based on category management.

1.17. SUGGESTIONS

1. The extension of organized retailing will help to attract new category of buyer end.
2. The establishment of shops on primary trade area will help the retailers to enhance category management practices effectively towards consumer patronization.
3. The inclusive retailers of silk sarees can give importance for integrated merchandise management to bring better consumer patronization.
4. the large scale retailers may give importance for low price ranges in their category planning to increase consumer patronization.
5. The organized retailers may give importance for local brand and products of co-operative producers in their category planning.
6. The focus on minimum assortment planning can be given by both organized and unorganized retailers.
7. Category information to consumers should be given due importance during personal selling

1.18. CONCLUSION

The growth of retail formats and organized retailing bring opportunities and threats to existing retailing system. It is applicable to all categories of retail business. Among this, the product category of shopping and specialty need more comprehensive retailing practices for consumer patronization and retention. Moreover, the buying behaviour of consumers towards silk and its related products are falling under specialty purchase and which is based on variety seeking behaviour. In order to attract more buyers and increase the selling volume, the organized and unorganized retailers need to focus on category management. The category management comprises various attributes ranging from location index to shelf management. The strategies employed by retailers on every aspect of category management help them to elevate consumer patronization and retention.

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