A STUDY ON MARKET PENETRATION STRATEGIES AT CAVINKARE PRIVATE LIMITED, BHAVANI, ERODE

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Abstract

The study focuses on analyzing market penetration strategies at Cavinkare Private Limited in Bhavani, Erode, using a sample size of 120 and employing descriptive research design and convenience sampling. The primary data collection method is a questionnaire, and statistical tools such as simple percentage analysis, chi-square analysis, and correlation are utilized. Findings reveal no significant relationship between respondents' gender and pricing strategy. However, it's recommended to continue offering targeted discounts and promotions to attract price-conscious customers. It's concluded that a competitive pricing strategy, coupled with transparent value communication, is crucial for influencing consumer purchasing decisions positively. Additionally, efficient distribution channels play a vital role in enhancing consumer loyalty and satisfaction.

Keywords: Market penetration, Products, Strategies, Customer satisfaction.

INTRODUCTION

Market penetration is a key metric for measuring a product's sales compared to the total market, aiding in strategy development to increase market share. Strategies to boost market penetration include adjusting pricing, enhancing marketing efforts, updating products, forming partnerships, and innovating. These strategies aim to deepen a company's presence in the market, leading to improved financial health and competitiveness. Market penetration pricing involves offering low prices to enter markets and gain share from competitors. Customer satisfaction plays a vital role in driving business growth and loyalty by ensuring products meet customer needs effectively.

COMPANY PROFILE

CavinKare Private Limited, founded in 1990, specializes in personal care products and dairy goods, boasting a diverse portfolio including hair and skin care, food, snacks, and beverages. With a revenue of Rs. 1,600 crore in 2017-18, the company anticipates surpassing Rs. 2,000 crore in 2018-19. Its Erode dairy plant, spanning 22 acres, produces a variety of milk and milk products with a focus on freshness and quality. Led by Chairman C.K. Ranganathan, CavinKare emphasizes innovation and ethical practices, earning numerous awards for its HR initiatives, brand excellence, and corporate social responsibility.

OBJECTIVES OF THE STUDY

- To evaluate the prevailing pricing strategy in the company
- To assess the efficiency and effectiveness of various distribution channel utilized by the company
- To measure overall customer satisfaction towards the company's products.

- To obtain suggestions from the respondents to enhance market penetration strategies for the company

NEED OF THE STUDY

This study on market penetration strategies is crucial for Cavinkare Private Limited to bolster its competitive position and expand market presence. Analyzing these strategies provides insights into consumer behavior, market dynamics, and competitor tactics, guiding marketing approaches, product customization, and identifying new market opportunities. Findings inform real-world actions such as targeted marketing campaigns, pricing adjustments, distribution channel optimization, and product innovations, optimizing resource allocation and maximizing returns on investment.

SCOPE OF THE STUDY

This study focuses on market penetration strategies employed by Cavinkare Private Limited in Bhavani, Erode. It analyzes the company's tactics in marketing, pricing, distribution, and product innovation to enhance its market share. Evaluating external factors like consumer preferences and competitor actions, the study aims to boost revenue and profitability for the company. The outcomes will benefit stakeholders and the community through job creation and economic development.

LIMITATIONS OF THE STUDY

- The sample size chosen for the surveys being limited to 120.
- The researcher had also difficulty in getting some information which the respondents were not interested to give.
- The present study has been limited to Erode only.
- The data is collected only from the customers of the company Cavinkare Private Limited.

REVIEW OF LITERATURE

Disha Mahajan, Navneeta Agarwal and Anand Agarwal, (2021) The modern customer is so resourceful that he can make the critical decision of purchasing a specific brand of goods from among the many options available to him. Consumers' likes and preferences vary greatly, and they purchase several kinds of food for consumption. Marketers have devised novel techniques to cater to the wide range of consumer interests and preferences. Product branding helps make or show a product's image, quality, the company's image, and user loyalty to the brand. The study is analytical and is based on both primary and secondary data. The primary data is gathered through questionnaire from the 100 consumers of branded food products using snowball sampling. The secondary data for the study is being gathered from the websites of the organizations of branded food products.

P. Janaki and S. Keerthana (2019), The restaurant industry being the largest service sector has a significant role in Indian economy. In today's fastest walk of the day, fast food restaurant holds a pivotal position in restaurant industry. Among the various fast food restaurants in Erode City, the perception of consumers differs between branded and nonbranded fast food restaurants. The growth in population, changing culture, trends in fashion, innovation in food items have led to the growth of fast food restaurants. In this aspect, the present research probes into the level of consumers' satisfaction towards branded fast food restaurants by employing Chi-square Test. Further, the problems faced in utilizing the services of fastfood restaurant is analyzed with Weighted Average Ranking. The result showed that gender, age and monthly family income have significant association with the level of satisfaction towards fast food restaurant and more number of respondents faced the problem of consuming high fat content food items.

RESEARCH METHODOLOGY

Sampling Unit: Sampling unit is Erode.

Population: Here entire customers of the company Cavinkare Private Limited, Bhavani, Erode are the population.

Sample Size: Sample size of the study is 120.

Tools used for analysis: Simple percentage analysis, Chi-square, Correlation

ANALYSIS AND INTERPRETATION

(a) Simple percentage method:

The survey data highlights that the majority of respondents were male (69.2%), primarily aged between 21-30 years (43.3%). Business owners formed the largest occupational group (45.0%), with a significant portion having professional qualifications (40.8%). Most reported an income

between Rs. 1,00,001 to 2,00,000 (35.0%). While pricing was generally viewed positively, opinions on its influence on purchase decisions varied. Positive perceptions were noted regarding order accuracy (35.8% strongly agreed) and product quality meeting expectations (49.2% highly satisfied). However, concerns exist about physical retail accessibility (29.2% strongly disagreed) and packaging appeal (43.3% neither satisfied nor dissatisfied). Overall, respondents expressed favorable views on brand recognition (47.5% agree) and transparency in product details (43.3% satisfied).

(b) Chi – square test:

Chi – square test	Value	df	Asymp. Sig. (2sided)
Pearson Chi-Square	33.746[a]	17	.009
Likelihood Ratio	37.916	17	.003
Linear-by-Linear Association	2.636	1	.104

Interpretation:

Null Hypothesis (H0): No significant association between the gender of the respondents and pricing strategy.

Alternative Hypothesis (H1): Significant association exists.

With p-values below 0.05, so there is no the gender of the respondents and pricing strategy.

(c) Correlation:

		AGE OF THE RESPONDENTS	CUSTOMER SATISFACTION
AGE OF THE RESPONDENTS	Pearson Correlation	1	-.367[**]
	Sig. (2-tailed)		.000
	N	120	120
CUSTOMER SATISFACTION	Pearson Correlation	-.367[**]	1
	Sig. (2-tailed)	.000	
	N	120	120

INTERPRETATION

The Above table indicates that out of 120 respondents, co-efficient of correlation between the age of the respondents and customer satisfaction is -0.367. It is below 1. So there is negative relationship between age of the respondents and customer satisfaction.

FINDINGS

The survey findings reveal that 69.2% of respondents are male, with 43.3% aged 21-30. A majority (45.0%) are business owners, and 40.8% have professional qualifications. In terms of income, 35.0% earn between Rs. 1,00,001 to 2,00,000. Regarding pricing, opinions vary: 35.8% find it competitive, 36.7% see good value, and 34.2% view it negatively. Most agree on order accuracy (35.8%) and product quality (49.2%), but concerns exist about physical retail accessibility (29.2%) and packaging appeal (43.3%). Respondents generally recognize the brand (47.5%) and appreciate transparency (43.3%). There's no significant gender-pricing relationship, but age inversely affects satisfaction.

SUGGESTION

- Pricing should be routinely compared to that of competitors in order to maintain competitiveness.
- Effectively communicating the value proposition of its products or services is crucial for the company to establish a rationale for pricing.

- Increasing pricing transparency and emphasizing value-added benefits have the potential to exert a positive influence on consumer purchasing decisions.

CONCLUSION

In summary, this research underscores the significance of market penetration strategies for organizational success amid competition. Key findings highlight the importance of competitive pricing, transparent value communication, efficient distribution channels, product innovation, and quality maintenance in influencing consumer behavior and satisfaction. To thrive, businesses must prioritize these aspects, adapt to market dynamics, and meet evolving consumer demands. By addressing identified obstacles and implementing suggested actions, organizations can enhance competitiveness, boost customer satisfaction, and achieve long-term growth.

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