



A Study On Product Differentiation With Reference To Selected Smart Goods Amongst Users Of Bangalore

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ABSTRACT

Differentiation means making the product offer different from the rest. Differentiation is the route for adding value to the product offering. While differentiation can be achieved through several elements, the product lends maximum scope for carrier of customer value. There are different facets to value – tangible and intangible, material and aesthetic. The customer seeks and find value in different entities and the customer differ in their value expectations from a given offer. The process of differentiation that the marketers build such value in their offers, cater to the differing value needs of customers and win them over.

The price route and the differentiation are two route. Which helps to gain market leadership, companies take either of the two routes, they try to achieve either a low cost position / low price advantage or a differentiated position. Though both routes can offer superior value to the customer, differentiation remains the more versatile route. The major attraction and benefit in restoring to differentiation strategy which takes the firm away from a total price-based competition. It allows the firm to fight on the non-price plank with all the benefits associated with it. Differentiation is a crucial decision for a firm in its search for an effective marketing strategy. Through differentiation the firm moves to a position wherein its offers can claim a premium in the market.

Key words: Differentiation, Product offering, Customer Value, Market Leadership, Marketing Strategy, Price- based Competition.

Introduction

The fight in the market place is between brand and brand. Continuous differentiation and value addition create strong brands. In the long term, these brands become major assets of companies. Differentiation is central to a brand and its equity. Brands are built and developed only through differentiation. A brand can be viewed as the sum of the various differentiation that are bundled into the offering. A strong differentiator is a real challenge to competition. When multiple differentiators are added to the product, the brand becomes unassailable. When such differentiators add value to the customer, the brand succeeds. Every improvement and innovation brought in the product and its accompanying features is a differentiation move. Differentiation has to be understood as a continuous journey of the product/brand to new levels, with the intention of becoming and remaining the preferred option for the customer. Carrying more value to customers in diverse ways is the central objective in differentiation.

Often it is the competing efforts of different firms in securing the best possible differentiators for their products/brands that result in the evolution and growth of a product category. When differentiation results in unlocking new benefits and value propositions, it can result in creation of a new product category. This kind of category creation happens only when the marketers and the organizations are geared to generating truly innovative differentiation. Companies can achieve differentiation using the product or distribution methods or promotion themes. The name and prestige of a collaborating partner or the specialty of the factory's location or the fame and credentials of the firm's founder , may be differentiate an offer and make it distinct.

Though differentiation can be achieved through varied ways, the product lends The tangible attributes include product formula, functional features, design/styling, customer experience, product quality, service support and packaging. The intangible attributes include prestige, status, image and sentiments/beliefs.

Literature Review

Ramo Barrena (2011) observe a highly saturated market with homogeneous supply, obtaining results that appear to support the notion that emotions do indeed play a part in consumer choice structures, which show a higher degree of abstraction in those segments that report a greater number of perceived emotions. This considerably complicates the task of creating a differentiated marketing strategy, in the sense that suppliers need to give much greater consideration to consumers' self-awareness.

Research Methodology

Type of Research: Descriptive research is used for the study.

Method of Sampling: Sampling technique followed is convenience sampling.

Sample Size: The study has a sample size of 480 respondents using fast moving electronic goods in Bangalore city.

Objectives of study:

1. To analyze demographic variables and Fast Moving Electronic Goods (FMEG) namely smart TV, smart phone and smart laptop
2. To understand differentiation strategy

Analysis and Discussion of Results

1. Education Vs Smart Phone owned

HYPOTHESIS

Null Hypothesis (H₀): There is no significant association b/w education and smart phone owned by the respondents.

Alternative Hypothesis (H₁): There is significant association b/w education and smart phone owned by the respondents.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	51.304 ^a	36	.039
Likelihood Ratio	50.965	36	.050
Linear-by-Linear Association	3.080	1	.079
N of Valid Cases	480		

The p value for the above is **0.039**. Since the p value is less than 0.05 the Null Hypothesis is accepted and hence it signifies that there is no significant association b/w education and smart phone owned by the respondents. The respondents who are educated prefer branded phones like Samsung and Apple.

2. Gender Vs Fast Moving Electronic Goods owned

HYPOTHESIS

Null Hypothesis (H₀): There is no significant association between Gender and fast moving electronic goods owned by the respondents.

Alternative Hypothesis (H₁): There is significant association between Gender and FMEG owned by the respondents.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.645 ^a	2	.162
Likelihood Ratio	4.269	2	.118
Linear-by-Linear Association	3.278	1	.070
N of Valid Cases	480		

In the above table p value is **0.162**. Since the p value is greater than 0.05 the Null Hypothesis is rejected. Hence it signifies that there is no significant association between gender and goods owned by the respondents. Age is a factor that will determine the FMEG owned by the respondents.

3. Income Vs Brand of Laptop owned

HYPOTHESIS

Null Hypothesis (H₀): There is no significant association between Income and brand of Laptop owned by the respondents.

Alternative Hypothesis (H₁): There is significant association between Income and brand of Laptop owned by the respondents.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	47.280 ^a	40	.200
Likelihood Ratio	56.238	40	.046
Linear-by-Linear Association	.808	1	.369
N of Valid Cases	472		

The above table shows p value is **0.200**. Since p value is greater than 0.05 the Null Hypothesis is rejected and hence it signifies a significant association between Income and brand of Laptop owned by the respondents.

4. Occupation Vs Smart TV owned

HYPOTHESIS

Null Hypothesis (H₀): There is no significant association between Occupation and brand of Smart TV owned by the respondents.

Alternative Hypothesis (H₁): There is significant association between Occupation and brand of Smart TV owned by the respondents.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	23.904 ^a	24	.467
Likelihood Ratio	24.731	24	.421
Linear-by-Linear Association	.275	1	.600
N of Valid Cases	466		

In the above table p value is **0.467**. Since the p value is greater than 0.05, the Null Hypothesis is rejected and hence it signifies that there is a significant association between occupation and brand of smart tv owned by the respondents.

Thus occupation does play a significant role in the brand of smart tv owned by the respondents.

5. Age Vs Smart TV owned

HYPOTHESIS

Null Hypothesis (H₀): There is no significant association between Occupation and brand of Smart TV owned by the respondents.

Alternative Hypothesis (H₁): There is significant association between Occupation and brand of Smart TV owned by the respondents.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	53.270 ^a	48	.279
Likelihood Ratio	51.903	48	.324
Linear-by-Linear Association	.158	1	.691
N of Valid Cases	466		

In the above table p value is **0.279**. Since the p value is greater than 0.05 the Null Hypothesis is rejected and hence it signifies that there is a significant association between age and smart tv owned by the respondents.

Thus age does play a significant role in deciding the brand of smart tv owned by the respondents.

Findings

- 1) The study shows that there is no significant association between education and smart phone owned by the respondents.
- 2) It is found that there is a significant association between gender and goods owned by the respondents.
- 3) The study shows that there is a significant association between Income and brand of Laptop owned by the respondents.
- 4) The study shows that there is a significant association between occupation and brand of smart tv owned by the respondents.
- 5) The study shows that there is a significant association between age and smart tv owned by the respondents.

Conclusion

The results of the hypothesis tests provide insights for the Fast-Moving Electronics Goods manufacturer, to effectively formulate its Differentiation strategies to get long-term commitments from the customer and expand the current level of business. Further research can build on this study and others to provide a more complete understanding and eventually an integrated theory that provides better insights into differentiation strategy as a competitive tool to gain market leadership.

Product differentiation is a marketing strategy that businesses use to distinguish a product from similar offerings on the market. The difference could be something concrete like speed, power, performance, and better service. Or, it could be just being cooler or more stylish than your competitor. For small businesses, a product differentiation strategy may provide a competitive advantage in a market dominated by large companies. A product differentiation strategy that focuses on the quality and design of the product may create the perception that there is simply no substitute available on the market.

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