

OPINIONS OF CONSUMERS AND RETAILERS FOR COMMERCIALIZATION OF SMOCKED UTILITY ARTICLES

SHIKHA BAJAJ¹ & HARMINDER KAUR SAINI²

¹Research Scholar, Department of Apparel and Textile Science, College of Home Science,
Punjab Agricultural University, Ludhiana

²Professor, Department of Apparel and Textile Science, College of Home Science,
Punjab Agricultural University, Ludhiana

ABSTRACT

The difference in opinions of customers and direct sellers or retailers has been often noticed during many deals. Although both buyer and the seller weigh the product as valuable, however, the prospective of computing worth for the merchandise seems different for both. The present investigation entitled 'Opinions of consumers and retailers for commercialization of smocked utility articles' was carried out in Ludhiana city. A survey was conducted with an aim of studying insights opinions of ultimate consumers and retailers regarding the price of smocked utility articles. For assessing consumers' viewpoint, study was carried out on a sample size of 45 female respondents which were randomly selected from three localities of Ludhiana. The respondents were in age group of 20-40 years. Forty five retailers, on the other hand, were randomly selected from the local market. An interview schedule was framed which aimed at studying the opinions of both consumers and retailers regarding selling prices of smocked utility articles. The results concluded that articles prepared by using smocking technique are commercially acceptable to both consumers and retailers, however, the opinions for profit margins carried little differences.

KEYWORDS: Articles, Consumers, Opinion, Price, Retailers

INTRODUCTION

It is extremely important to understand the customers when it comes to developing new products and services, or marketing those products to potential consumers (Klepik 2014). This does not refer to just understanding consumers in the traditional sense of how a product appeals to a specific demographic group. It means really getting down to the nitty-gritty of understanding why consumers act a certain way. Businesses and marketers usually do not search for consumer insights, or fail to understand their anthropological backgrounds, are not able to connect or engage with prospects and hence not able to motivate them to become customers. A greater understanding of customer insights increases marketer's ability to motivate action and effect behavioral change.

Hand embroideries and surface embellishments carry their historical evidences thousands of years back and still these masterpieces continue to attract customers from all parts of the world. From textile apparel to upholstery and decorative items, embroideries have always charmed everyone, and gained huge consumer acceptance and handsome profits, though there are differences in visions of buyers and sellers in terms of acceptable selling prices and profit margins. Present paper focuses on attempts towards analyzing the buying and selling outlooks of ultimate consumers and retailers respectively for the purchase of smocked utility articles. Smocking is one of the magnificent embroidery techniques. It is

arduous needlework and catches eye of every art lover. The elegance of smocked artworks adds value to the bits of fabric and increases their acceptability.

MATERIALS AND METHODS

A survey was carried out in order to know opinions of consumers and retailers for smocked utility articles. For studying opinions of consumers, a sample of 45 women respondents between age group of 20-40 years was selected randomly from three localities of Ludhiana city. In case of retailers, a total of 45 retail shops with handloom and upholstery merchandise were selected randomly purposive form the local market. The data collected through interview schedule were coded, tabulated and analyzed. Frequencies and simple percentages were calculated to obtain the information regarding prices of smocked articles. The data were analyzed using Z test for single mean and single proportion.

RESULTS AND DISCUSSION

Suitability of Quoted Price of the Articles to the Consumers and Retailers

Findings in the table 1 depict that the quoted prices for all the articles were found adequate by the consumers, however nearly one third of the respondents felt that the quoted price for cushion cover, pillow cover and bolster cover were high.

Table 2 elucidates the responses of retailers on the quoted prices of smocked utility articles. It has been observed that in this case also, quoted prices of the articles were found adequate by majority of the respondents. Nearly one third of the retailers marked the prices of cushion cover and pillow cover as 'high'. Results reveal that smocked articles were acceptable to both retailers and consumers.

Gill *et al* (2012) also assessed market potential of Traditional *Indhi* of Haryana and found overall acceptability to be excellent.

In a study on 'Kitchen Textile with Gandhara motifs' by Sharma and Mishra (2014), it was found that quoted prices of all the kitchen articles were acceptable to majority of the respondents.

Table 1: Distribution of Consumers According to their Opinion for Suitability of Quoted price (n=45)

Code with Article Name	Quoted Price of the Article in Rupees (₹)	No. of Respondents for Suitability of the Quoted Price			Z value
		High	Adequate	Low	
A ₁ Cushion cover	340	15 (33.33)	29 (64.44)	1 (2.22)	2.24*
A ₂ Pillow cover	390	14 (31.11)	30 (66.67)	1 (2.22)	2.53*
A ₃ Bolster cover	350	15 (33.33)	28 (62.22)	2 (4.44)	2.24*
A ₄ Trimming for bedsheet	900	10 (22.22)	28 (62.22)	7 (15.56)	3.73*
A ₅ Curtain canopy	670	8 (17.78)	32 (71.11)	5 (11.11)	4.32*
A ₆ Lampshade	510	10 (22.22)	28 (62.22)	7 (15.56)	3.73*
A ₇ Handbag	570	8 (17.78)	30 (66.67)	7 (15.56)	4.32*
A ₈ Jewellery box	600	11 (24.44)	31 (68.89)	3 (6.67)	3.43*
A ₉ Folder	330	8 (17.78)	31 (68.89)	6 (13.33)	4.32*
A ₁₀ Footwear	250	12 (26.67)	29 (64.44)	4 (8.89)	3.13*

Figures in parentheses indicate percentages
Significant at 5 per cent

Table 2: Distribution of Retailers According to their Opinion for Suitability of Quoted Price (n=45)

Code with Article Name	Quoted Price of the Article in Rupees (₹)	No. of Respondents for Suitability of the Quoted Price			Z value
		High	Adequate	Low	
A ₁ Cushion cover	340	13 (28.89)	30 (66.67)	2 (4.44)	2.83*
A ₂ Pillow cover	390	14 (31.11)	30 (66.67)	1 (2.22)	2.53*
A ₃ Bolster cover	350	11 (24.44)	32 (71.11)	2 (4.44)	3.43*
A ₄ Trimming for bedsheet	900	9 (20.00)	29 (64.44)	7 (15.56)	4.02*
A ₅ Curtain canopy	670	7 (15.56)	34 (75.56)	4 (8.89)	4.62*
A ₆ Lampshade	510	9 (20.00)	29 (64.44)	7 (15.56)	4.02*
A ₇ Handbag	570	8 (17.78)	27 (60.00)	10 (22.22)	4.32*
A ₈ Jewellery box	600	8 (17.78)	33 (73.33)	4 (8.89)	4.32*
A ₉ Folder	330	9 (20.00)	30 (66.67)	6 (13.33)	4.02*
A ₁₀ Footwear	250	11 (24.44)	30 (66.67)	4 (8.89)	3.43*

Figures in parentheses indicate percentages

*Significant at 5 per cent

Assessment of Percentage Profit

Data in table 3 show the assessment of percentage profit of the smocked articles which is based on the selling prices quoted by the consumers (Figure 1). In the case of A₁, the cost price was ₹260 and majority of the respondents preferred to buy the article for ₹345 with a profit of 32.69 per cent.

For article A₂, the cost price was ₹300 and average selling price was ₹380 with 26.67 per cent of profit margin. Article A₃ had the cost price of ₹270 and average selling price was ₹360, leading to a profit margin of 33.33 per cent.

For article A₄, the cost price was ₹690 with an average selling price of ₹910, thus, a profit margin of 31.88 per cent. Article A₅ was having cost price of ₹515, with an average selling price of ₹720 and a profit margin of 39.81 per cent. The cost price of article A₆ was ₹390 and average selling price was ₹600 with a profit margin of 53.85 per cent.

For article A₇, the cost price was ₹440 and average selling price was ₹580 with a profit margin of 31.82 per cent. In case of article A₈, the cost price was ₹460 and average selling price was ₹620 with a profit margin of 34.78 per cent.

For article A₉, and A₁₀ the cost price was ₹255 and ₹190 while the average selling price was ₹340 and ₹290 with profit margins of 33.33 and 52.63 per cent, respectively.

It is evident from the results that the profit margins in smocking vary from article to article. Depending upon the colours, embellishments and innovation of concept, 26.67 to 53.85 per cent profit can be earned by preparing these articles.

The study by Sunidhi (2004) revealed that it was possible to earn 20.7 to 50 per cent profit by making craft articles based on preferences of consumers.

As for all the articles there was significant difference between cost price and average selling price (average selling prices were significantly more), it is clear that articles developed by using smocking technique are cost effective.

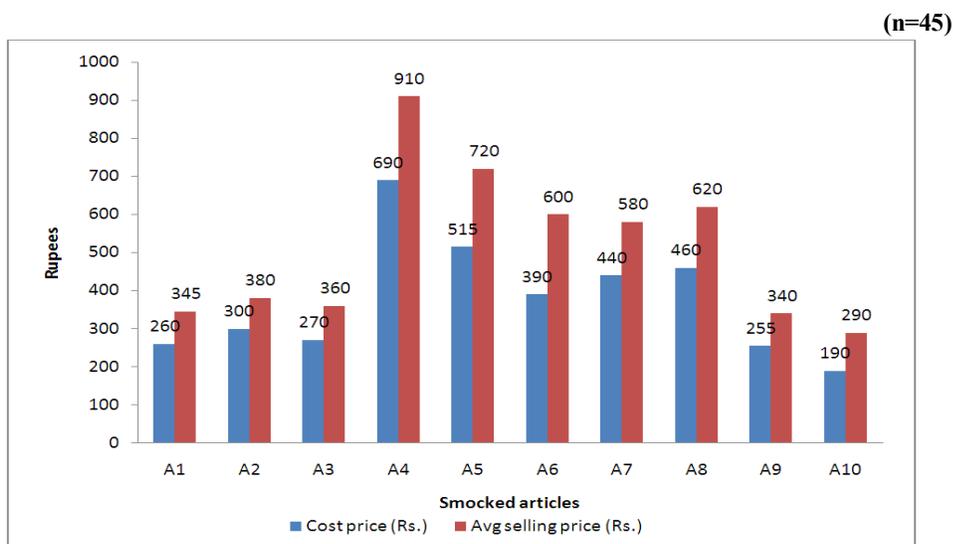


Figure 1: Opinions of Consumers for the Selling Price of the Smocked Articles

Table 3: Assessment of Percentage Profit for Smocked Articles on the Basis of Consumers' Opinion (n=45)

Code With Article Name	Z-value	Percentage Profit
A ₁ Cushion cover	4.04*	32.69
A ₂ Pillow cover	3.88*	26.67
A ₃ Bolster cover	6.26*	33.33
A ₄ Trimming for bedsheet	5.15*	31.88
A ₅ Curtain canopy	6.90*	39.81
A ₆ Lampshade	7.06*	53.85
A ₇ Handbag	6.00*	31.82
A ₈ Jewellery box	6.07*	34.78
A ₉ Folder	6.91*	33.33
A ₁₀ Footwear	6.88*	52.63

*Significant at 5 per cent

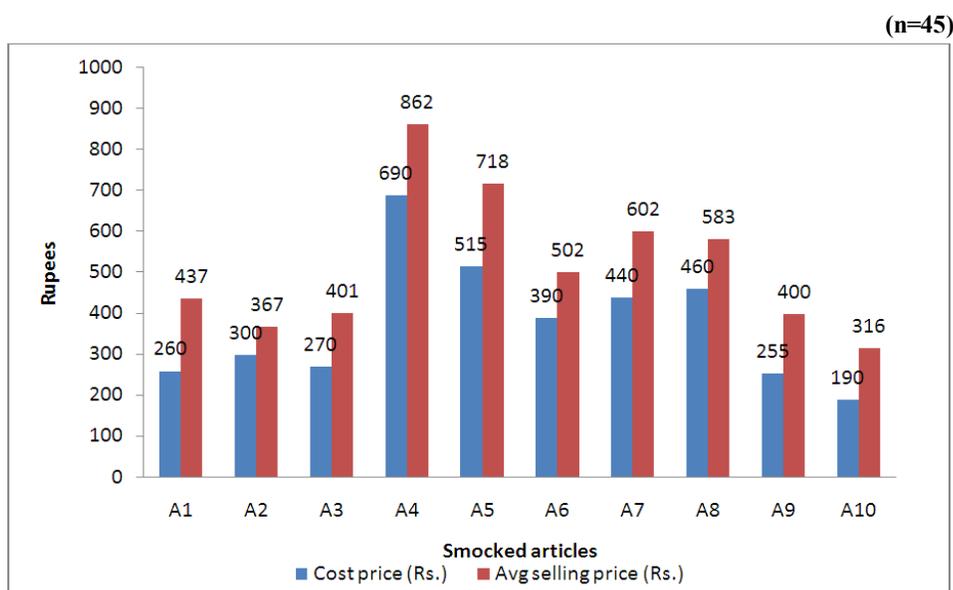


Figure 2: Opinions of Retail Shop Owners for the Selling Price of the Smocked Articles

Table 4: Assessment of Percentage Profit of the Smocked Utility Articles on the Basis of Retailers' opinions. (n=45)

Article Code and Name	Z-value	Percentage Profit
A ₁ Cushion cover	5.69*	68.08
A ₂ Pillow cover	2.73*	22.30
A ₃ Bolster cover	4.35*	48.68
A ₄ Trimming for bedsheet	2.51*	24.93
A ₅ Curtain canopy	3.59*	39.37
A ₆ Lampshade	3.44*	38.46
A ₇ Handbag	2.02*	36.72
A ₈ Jewellery box	2.51*	26.81
A ₉ Folder	3.99*	56.86
A ₁₀ Footwear	4.32*	66.49

*Significant at 5 per cent

Table 4 elucidates assessment of percentage profit of the smocked articles based on the selling prices quoted by the retailers has been shown in fig 2. In the case of A₁, the cost price was ₹260 and majority of the retailers preferred to sell the article for ₹437 with a profit of 68.08 per cent.

For article A₂, the cost price was ₹300 and average selling price was ₹367 with 22.30 per cent of profit margin. Article A₃ had the cost price of ₹270 and average selling price was ₹401, leading to a profit margin of 48.68 per cent.

For article A₄, the cost price was ₹690 with an average selling price of ₹862, thus, a profit margin of 24.93 per cent. Article A₅ was having cost price of ₹515, with an average selling price of ₹718 and a profit margin of 39.37 per cent. The cost price of article A₆ was ₹390 and average selling price was ₹502 with a profit margin of 38.46 per cent.

For article A₇, the cost price was ₹440 and average selling price was ₹602 with a profit margin of 36.72 per cent. In case of article A₈, the cost price was ₹460 and average selling price was ₹583 with a profit margin of 26.81 per cent.

For article A₉, and A₁₀ the cost price was ₹255 and ₹316 while the average selling price was ₹400 and ₹290 with profit margins of 58.86 and 66.49 per cent, respectively.

As per the view of retailers, profit margins fall in range of 22.30 to 68.08 per cent, however it could vary depending upon the design size, use of embellishments and target customers.

There was significant difference observed between cost price and average selling price (average selling prices were significantly more), it is clear that articles developed by using smocking technique are cost effective as per the views of retailers also.

The high acceptability and profit margins of smocked articles by both buyers and sellers showed that these are commercially viable. When these smocked articles would be manufactured commercially, the cost of production will reduce and profit margins will increase, so if the calculated per cent profit is positive and is more than 22.30 per cent than the prepared articles are said to be commercially viable. Rani and Bains (2014) also concluded in their study on consumer behaviour towards handloom products that handloom industry is considered as an important growth providing employment opportunity to the rural poor.

CONCLUSIONS

The trend which has been visualized after reviewing the findings of study shows that although any new concept or design idea in the marketplace is welcomed by both consumers and retailers, acceptance levels on price varies in case of both the associates. Retailers look at the articles as high profit making concepts and propose high profit margins than consumers. Consumers on the other hand accept the articles on a handsome price range and view them as beautiful revival of an ancient and ornamental style of decoration. This research offered an opportunity for dialogue to the ultimate user of the product as well as the seller. The reactions of both buyers and sellers reveal that the product is profitable and compatible with popular market trends with little variations in outlooks of both the collaborators in terms of their own personal interests of earning and spending.

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