

PRICING STRATEGY FOR SALES TOWARDS PARAMESHWARI EXPORTS PVT LTD, KARUR

Mr. S. Ramesh¹, M. Arun², A. Anish Anand³, R. Velmurugan⁴, M. Kokila⁵, S. Naveen Kumar⁶, V. Ramakrishna⁷, R.M. Sudharshan⁸, K. Prakash⁹, R. Tharun¹⁰

²Assistant Professor, Department of MBA, KSR College of Engineering, Tiruchengode – 637 215

^{2,3,4,5,6,7,8,9,10} II MBA, KSR College of Engineering, Tiruchengode – 637 215

ABSTARCT

This research looks on the pricing tactics used by ParameshwariExport pvt ltd at Karur, India-based Parameshwari Export, a well-known player in the textile export market. This research intends to provide insights into the elements driving pricing strategies and their impact on the competitiveness and profitability of the organization, with a focus on understanding the dynamics of price decisions. Data was gathered through financial report analysis, market trend analysis, and interviews with important players using a combination of qualitative and quantitative methodologies. Value-based pricing, cost-based pricing, and competition-based pricing are some of the pricing models that are examined in this study in order to evaluate how effective they are in the particular business environment of Parameshwari Export. Further more, the study looks at how pricing strategies are shaped by variables such as consumer segmentation, product differentiation, market demand, and pricing transparency. Additionally, it assesses the potential and difficulties related to setting prices in the fiercely competitive international textile industry.

Keywords: pricing strategy, production, analysis, marketing, business environment, profitability.

INTRODUCTION

Pricing refers to the process of determining a product or service's value before making a choice. Your pricing should convey to prospective clients your level of concern for your product, brand, and clientele. It's among the first factors a customer takes into account when choosing whether or not to purchase your products or services. For this reason, a precise estimate is required. A pricing strategy is a method that companies use to figure out how much to charge for their goods and services. It entails assessing manufacturing costs, assessing consumer demands and the market, determining competitive prices that maximize profits, and comprehending client needs.

Businesses may make sure they are charging the appropriate amount for their goods or services while maintaining their competitiveness in the market by developing a well-thought-out pricing plan. A pricing strategy framework is a methodical methodology that companies employ to determine, modify, and oversee the costs of their goods and services. It acts as a roadmap or guide to help them figure out how to price their products in the market most profitably. Due to several circumstances, including the nature of their product or

service, the competitive landscape and market dynamics, the target client segment, and the overall business strategy, different sectors have varied pricing strategies.

Pricing strategies in goods-producing businesses, including manufacturing, typically center on determining a price that maximizes profit for a given volume of sales. For this reason, cost-plus pricing—in which a product's price is determined by tacking on a markup to the production cost—is a common practice among manufactures.

STATEMENT OF THE PROBLEM

Numerous companies have experienced difficulties with client loyalty due to factors such as price strategy behavior, sensitivity, recognition, and stimulus by customers. Customer loyalty to the fiber as a consequence of sales volume, customer retention, and frequency of consumption is one of the challenging aspects that has grown to be a thorn in the side of the sector. This was mostly seen as a pricing tactic used by the textile businesses of wealthy nations based in Karur. As a result, there has been a decline in confidence, low profitability, low patronage, and an increase in customer complaints. One of the most common techniques that both large and small businesses use to establish and maintain their competitive edge is pricing strategy. Theoretically, the research on the relationship between pricing strategy practices and client patronage has produced contradictory and inconsistent results in the literature. In order to improve service quality in the textile manufactured goods sector, a research plans to apply three pricing strategies: competitive, value, and cost-based.

OBJECTIVE OF THE STUDY

1. To study the relationship between competitive-based pricing strategy and sales volume in the textile firm.
2. To analyse the factors that influenced its effectiveness of marketing techniques.
3. To identify pricing strategies that are appropriate for new and existing textile products.
4. To understand the stages of the product life cycle of the textile firm.
5. To examine a framework for effective goal-oriented pricing of products.
6. To find out the major aspects and factors influencing the price decision.

SCOPE OF THE STUDY

1. To provide the overview of the steps involved in effective price decision.
2. To identify alternatives most appropriate for the pricing environment.
3. Prevention of Competition and the necessary to analyse the factors that influenced its effectiveness of marketing techniques.
4. Increased Profits, before determining the price of the product, targets of pricing should be clearly stated.

LIMITATIONS OF THE STUDY

1. This study strictly examined the effect of pricing strategies on the performance of textile industry in Karur.
2. A company may set a product price based on the cost plus formula and then be surprised when it finds that competitors are charging substantially different prices.
3. Public goods are goods which cannot be bought and sold in markets.
4. The total current population of the company around 220.
5. The time of the study was 60days period.

RESEARCH METHODOLOGY

Research methodology is a methodical approach to issue solving in research; it consists of a number of actions that are often taken by a researcher in the study of the topic, along with the reasoning behind them. At Karur's Parameshwari Exports Pvt Ltd, the current study was carried out.

RESEARCH DESIGN

The setting up of parameters for data collection and analysis with the goal of balancing procedural economy and relevance to the study goal is known as a research design. Descriptive design is the research strategy used for the studies. To find out how many clients are being retained, the researcher must explain the current circumstances. Descriptive research is therefore used. Only past and present events can be reported in descriptive research.

METHODS OF COLLECTION

Primary data means data which is fresh collected data. Primary data mainly been collected through personal interviews, surveys etc.

Secondary data means the data that are already available. When a researcher uses secondary data, it is typically gathered by certain agencies or organizations that have previously undergone processing; this procedure of gathering and analyzing secondary data is known as desk research.

SAMPLING

Sampling is the act of choosing a subset from a larger group in order to evaluate the features of the group. Sampling data is a quicker technique to obtain comparable results than trying to extract information from a large data set, which may take a while.

SAMPLE SIZE

The study based only on the opinion and expectation of customer. Total number of sample taken for the study is 110 respondents.

SAMPLE DESIGN

Random Sampling techniques were used for the study.

SAMPLING TECHNIQUES

A population is divided into smaller groups known as strata in order to conduct stratified random sampling. The strata in stratified random sampling, also known as stratification, are established according to the shared features or characteristics of the members.

SATISTICAL TOOLS USED

SIMPLE PERCENTAGE ANALYSIS

Using this technique, two or more data series can be compared in order to characterize their relationship or distribution. To determine the percentage of the respondent's response, a percentage analysis test is conducted.

No. of respondents

Simple percentage = X 100

Total No. of respondents

CHI- SQUARE ANALYSIS

In statistical work, one of the most straightforward and often utilized non-parametric tests is the Chi-square test. The magnitude of the difference between theory and observation is described by the number χ^2 .

$$\chi^2 = \sum = \frac{(O - E)^2}{E}$$

O = Observed Frequency,

E = Expected Frequency.

The calculated value at Chi-square. Is compared with the table value χ^2 given degrees of freedom at a creation specific level of significance.

CORRELATION

The correlation coefficient, which varies from -1 to +1, is the result of computing correlation. A correlation coefficient of +1, or perfect positive correlation, indicates that when one security moves-either up or down-the other security will follow suit and move in the same direction.

$$r = \frac{\sum XY}{\sqrt{(\sum X^2)(\sum Y^2)}}$$

ANOVA

By using important tests, the examination of change, or ANOVA, is a reliable, quantifiable technique for demonstrating the differences between at least two approaches or components. It also demonstrates how to conduct multiple analyses on a small number of population means. Two types of variation are examined while running the ANOVA test: the variation within each sample and the variation between the examples. The recipe that is linked below deals with one-way ANOVA test measurements:

$$F = \frac{MST}{MSE}$$

F = Anova Coefficient,

MST =Mean sum of squares due to treatment,

MSE =Mean sum of squares due to errors.

DATA ANALYSIS AND DISCUSSION:

Demographic of customers

particular		No.of respondents	percentage
Age	Below 25	26	24
	25-35	46	42
	35-45	26	24
	Above 45	12	11
Gender	Male	72	65
	Female	38	35
Income level	Less than 20,000	34	31
	20,000 - 30,000	43	39
	30,000 - 45,000	23	21

	More than 45,000	10	9
--	------------------	----	---

INTERPRETATION

From the above table, it shows that 24% of the respondents are below 25 years, 42% of the respondents are in the age group of 25-35 years, 24% of the respondents are in the age group of 35-45 years and 11% of the respondents are in the age group of above 45 years.

From the above table, it depicts that 65% of the respondents are male and 35% of the respondents are female.

From the above table, it shows that 31% of the respondents are in the income level of less than 20,000, 39% of the respondents are in the income level of 20,000 – 30,000, 21% of the respondents are in the income level of 30,000 – 45,000 and 9% of the respondents are in the income level of more than 45,000.

CHI - SQUARE ANALYSIS

Null hypothesis:

There is no significant relationship between age and effectiveness of the marketing techniques.

Alternative hypothesis:

There is significant relationship between age and effectiveness of the marketing techniques.

EXPECTED FREQUENCY

Age / Effectiveness of the marketing techniques	Very effective	Effective	Neutral	Ineffective	Total
Below 25 years	8	6	4	8	26
25 – 35 years	14	15	8	9	46
35 – 45 years	15	7	1	3	26
Above 45 years	4	2	2	4	12
Total	41	30	15	24	110

CALCULATION OF CHI – SQUARE

Observed value (O)	Expected value (E)	O - E	(O – E) ²	$\frac{(O - E)^2}{E}$
9.6	8	1.6	2.56	0.32
7	6	1	1	0.166
3.5	4	- 0.5	0.25	0.062
5.6	8	- 2.4	5.76	0.72
17.1	14	3.1	9.61	0.686
12.5	15	- 2.5	6.25	0.416
6.2	8	- 1.8	3.24	0.405
10	9	1	1	0.111
9.6	15	- 5.4	29.16	1.944
7	7	0	0	0
3.5	1	2.5	6.25	6.25
5.6	3	2.6	6.76	2.253

4.4	4	0.4	0.16	0.04
3.2	2	1.2	1.44	0.72
1.6	2	- 0.4	0.16	0.08
2.6	4	- 1.4	1.96	0.49
TOTAL				14.663

Sum of $(O - E)^2 / E = 14.663$.

The calculated value is 14.663 and significance level is 0.05.

Degree of freedom = (column - 1) * (row - 1)

$$= (4 - 1) * (4 - 1)$$

$$= 9.$$

The tabulated value of 9 (Significance value 0.05) = **16.916**.

Calculated value < tabulated value.

So, we accept null hypothesis.

INTERPRETATION

Since the tabulated value is (14.663) greater than calculated value, so we accept null hypothesis. There is no significance difference age and effectiveness of the marketing techniques.

CORRELATION ANALYSIS

Relation between gender and income level.

Gender / income level	Less than 20,000	20,000 – 30,000	30,000 – 45,000	Above 45,000
Male	8	14	11	5
Female	26	29	12	5

X	Y	X ²	Y ²	XY
8	26	64	676	208
14	29	196	841	406
11	12	121	144	132
5	5	25	25	25
TOTAL		ΣX² = 406	ΣY² = 1686	ΣXY = 771

$$r = 0.931$$

INTERPRETATION

This is a positive correlation. There are relationship between gender and income level.

ANOVA ANALYSIS

H₀ = there is no significant difference between age and education level.

H₁ = there is significant difference between age and education level.

Age / education level	High school	Bachelor's degree	Master's degree	Doctoral or professional degree
Below 25	18	5	1	2
25 – 35	7	22	14	3
35 – 45	4	12	9	1

Above 45	3	4	2	3
----------	---	---	---	---

The value of “F” is unaffected by subtracting 7 from all the numbers.

	X1	X2	X3	X4	TOTAL
Y1	11	-2	-6	-5	-2
Y2	0	15	7	-4	18
Y3	-3	5	2	-6	-2
Y4	-4	-3	-5	-4	-16
TOTAL	4	15	-2	-19	-2

$$N = 16$$

$$T = -2$$

$$T^2$$

$$\frac{\quad}{N} = 0.25$$

X1 2	X2 2	X3 2	X4 2
121	4	36	25
0	225	49	16
9	25	4	36
16	9	25	16
X1 2 = 146	X2 2 = 263	X3 2 = 114	X4 2 = 93

TABLE VALUE

Source of variance	Sum of squares	Degrees of freedom	Mean sum of square	Variance ratio (or) F-ratio
Between columns	150.9	= 4 – 1 = 3	150 = ----- 3 = 50	50 = ----- 35.34 = 1.414
Between rows	146.75	= 4 – 1 = 3	165.75 = ----- 3 = 48.91	48.91 = ----- 35.34 = 1.383
Residual (Error)	318.1	= (16 – 1) – (4 – 1 + 4 – 1) = 15 – 6 = 9	318.1 = ----- 9 = 35.34	
TOTAL	615.75	= 16 – 1 = 15		

THE TEST STATISTICS ARE,

Degrees of freedom for between columns = (3,9) **3.86.**

Degrees of freedom for between rows = (3,9) 3.86.

CONCLUSION

In both cases calculated value of $() < \text{the tabulated value of } ()$
 $= C.V < T.V$

H_0 is accepted at 5% level.

Hence there is no significant difference between age and education level.

FINDINGS

1. Majority of 42% of the respondents belongs to 25-35 age group.
2. Majority of 65% of the respondents belongs to male.
3. Majority of 39% of the respondents belongs to 20,000-30,000 income level.
4. Majority of 39% of the respondents belongs to bachelor's degree education level.
5. Majority of 76% of the respondents belongs to married.
6. Majority of 72% of the respondents belongs to yes.
7. Majority of 39% of the respondents belongs to market-oriented pricing.
8. Majority of 42% of the respondents belongs to increasing.
9. Majority of 41% of the respondents belongs to product quality.
10. Majority of 55% of the respondents belongs to digital marketing.
11. Majority of 37% of the respondents belongs to very effective.
12. Majority of 39% of the respondents belongs to target audience.
13. Majority of 40% of the respondents belongs to return on investment.
14. Majority of 29% of the respondents belongs to penetration pricing.
15. Majority of 29% of the respondents belongs to quality.

CHI – SQUARE ANALYSIS

Since the tabulated value is (14.663) greater than calculated value, so we accept null hypothesis. There is no significance difference age and effectiveness of the marketing techniques.

CORREALTION ANALYSIS

It is clear that is a positive correlation. There are relationship between gender and income level.

ANOVA ANALYSIS

H_0 is accepted at 5% level. Hence there is no significant difference between age and education level.

SUGGESTION

In the competitive landscape of Karur's textile export market, Parameshwari Export Pvt Ltd seeks to optimize its pricing strategy to enhance profitability and sustain growth. This research endeavors to analyze the current pricing mechanisms employed by the company, delve into market dynamics, and assess customer preferences to formulate tailored pricing strategies. By conducting a comprehensive cost analysis, evaluating competitor pricing strategies, and understanding customer behaviors, this study aims to unveil opportunities for Parameshwari Export Pvt Ltd to capture greater market share and bolster its position as a leader in textile exports. Through strategic pricing adjustments that align with value propositions and market demand, Parameshwari Export Pvt Ltd can navigate the complexities of the industry, drive revenue growth, and fortify its competitive edge in Karur and beyond.

CONCLUSION

In conclusion, this research has shed light on the importance of a strategic pricing approach for Parameshwari Export Pvt Ltd in Karur's textile export market. By thoroughly analyzing the company's current pricing strategy, market dynamics, cost structures, and customer preferences, we have identified key insights and opportunities for improvement. It is evident that by implementing a refined pricing strategy that factors in value propositions, competitive positioning, and market demand, Parameshwari Export Pvt Ltd can not only enhance its profitability but also strengthen its competitive advantage in the industry. Moving forward, it is imperative for the company to remain vigilant in monitoring market trends, reassessing pricing strategies, and adapting to evolving customer needs to sustain long-term success in the dynamic landscape of textile exports in Karur. With a strategic focus on pricing, Parameshwari Export Pvt Ltd is well-positioned to revitalize revenue streams, capture market opportunities, and thrive in the competitive environment.

BIBLIOGRAPHY

BOOKS

1. Harry Macdivitt (2021), "Value-Based Pricing: Drive Sales and Boost Your Bottom Line by Creating, Communicating, and Capturing Customer Value", published by Wiley.
2. Hermann Simon (2021), "Price Management: Strategy, Analysis, Decision, Implementation", published by Springer.
3. Eric S. Hardie (2023), "Pricing and Revenue Management in Retailing", published by Springer.
4. Z. John Zhang (2022), "Price Optimization: Principles and Techniques for Strategic Pricing", published by Cambridge University Press.
5. Keith J. Johnston (2022), "Pricing Strategy: A Practical Guide for Small Business", published by Routledge.
6. Leigh Caldwell (2021), "The Psychology of Price: How to Use Price to Increase Demand, Profit, and Customer Satisfaction", published by Pearson.
7. Madhavan Ramanujam (2020), "Monetizing Innovation: How Smart Companies Design the Product Around the Price", published by Wiley.

JOURNALS

1. Andrea Appolloni (2022), "Green recovery in the mature manufacturing industry: The role of the green-circular premium and sustainability certification in innovation efforts". Volume 193.
2. Andrea Runfola (2020), "Heuristics in decision-making by exporting textiles SMEs". Volume 12, Issue: 1, PP (1-15).
3. Bayad Jamal Ali (2021), "Marketing Strategy: Pricing Strategies and Its Influence on Consumer Purchasing Decision". PP (26-39), DOI: 1022161.
4. Bishwajit Dey (2022), "Optimal scheduling of distributed energy resources in micro grid systems based on electricity market pricing strategies by a novel hybrid optimization technique". Volume 134, DOI:107419.
5. Budiono (2020), "The impact of Tariff and Imported Raw Materials on Textile and Clothing Export: Evidence from the United States Market". Volume 202, Issue: 004.

6.PA Cakranegara (2022), “The impact of goods product pricing strategies on consumer purchasing power: a review of the literature”. P-ISSN 2301-6280, E-ISSN 2721-9879.

7.Chong Zhang (2021), “Two-stage pricing strategies of a dual-channel supply chain considering public green preference”. Volume 151, DOI: 106988.