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CASE STUDY

The Indian refrigerator industry had apparently reached maturity in the eighties. The introduction stage could be seen in 1962 – 66 ; growth, 1967 – 80; and maturity 1981 – 90. Between 1989 – 90 and 1990 – 91, the market grew by 12 to 12.35 lakhs units ; in 1992 – 93 it is estimated to have come down from 12 to 10.39 lakhs units. Thus the decline seems to have begun.

Presently, there are six main competitors in the refrigerator market in India. The industry seems to have a structure prevailing in monopolistic competition.

The products at present available in the market are under the brand names of Godrej, Kelvinator, Voltas, Videocon, BPL and Allwyn.

The new entrants to the market like BPL and Videocon with latest ultra modern refrigeration technology have thrown down the gauntlet to the existing leaders like Godrej and Kelvinator. A study has been conducted to find out what changes have occurred in consumer behavior due to the emergence of these new challengers, because, for all one knows; a very tough competition has recently emerged among the industrial giants due to which consumer behaviour has undergone drastic changes. The main purpose of study is to see how defectors are affecting consumer behaviour.

The specific objectives of this study are positioning of products and brands, rating of different parameters and their ranking, consumer's degree of satisfaction, estimating ideal capacity and ideal prices. Consumer's perception of price and brand, awareness of different brands and various sources of information to the consumer.

This survey leads to the conclusion, that most of the people are aware of 165-litre capacity with awareness of nearly 95%, other are less known to consumers.

The most important parameters for customers while buying a refrigerator are technology, cooling efficiency, durability, prices, capacity and after-sales service in that order.

According to the dealers, the customers consider brand name, technology, cooling efficiency, durability and after-sales service as very important. Other parameters like special gifts, price, guarantee/ warranty are just important parameters.

According to the customers, BPL, Voltas and Videocon are high priced refrigerators ; Godrej and Kelvinator, comparatively low-priced ; and Allwyn, medium – priced.

From the dealers survey it has been found out that the ideal capacity is 165-litre, and the ideal price Rs. 7,000 – 8,000.

Question :

- Due to the emergence of new industrial giants like BPL and Videcon, consumer behaviour has undergone a sea-change. In what ways? (05 Marks)
- Does Godrej need to make any changes in its refrigerators so as not to lose its market share? (05 Marks)
- How should Godrej position itself to take on other brands in this battle of giants? (05 Marks)
- Discuss which will be the most effective strategy according to you that will make consumer brand loyal in the refrigerator industry. (05 Marks)
