



**INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT
AND ALLIED SCIENCES (IJBMAS)**

A Peer Reviewed International Research Journal

PRICING AND WOMEN ENTERPRENUERSHIP OF PRODUCTS IN HYDERABAD CITY'

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ABSTRACT

Competitor price plays a major role in determining the range of possible price. It depend upon the firm's decision where they will charge more, the same or less than the competitor. It is depending upon the features; unique-selling proposition etc. of the product competitor's prices had a strong influence on fixing the price` About thirty seven percent in total of the entrepreneurs charged lower prices in comparison with competitors. Low prices are charging in case of readymade garment manufacturers because large number of similar units. Forty two percent of the entrepreneurs charged lower prices at par with the competitors. About eighty percent of the entrepreneurs were going for low or same prices in comparison with the competitors. Only five percent of the units reported charging higher prices in comparison with the competitors women entrepreneurs charged a lower price than their competitors.

INTRODUCTION

In business world marketing is a buzzword. Classical business language marketing is just synonymous of selling. But it is no so. It is an innovative for generating, -satisfying, retaining and delighting the customers, An English proverb says, " a smooth sea never made a skillful mariner". Everything is difficult before it become easy. Marketing is that Concept which extended their hand. To provide the solution of problem which has faced by business enterprise. The key to success is tactful planning. A business can grow and sustain in this competitive-era with the help of marketing planning. To make a successful enterprise one should understand how to translate marketing planning into practice by applying the power of marketing mix ideas.

Traditionally marketing mix has been defined as a set of controllable instruments to manage the uncontrollable and dynamic marketing environment. It consists of four major elements named as 4p's (product, price, place and promotion). The product in general sense to both goods and services which has satisfied the need and want of the customer. The price referred to the buyer's ability to afford the product, made available for the customer to buy (place) and promoted in order that potential buyers knew as much as required about the product un offer. In this paper only one Ps' has been highlighted that is price which is very sensitive matter for the growth and sustainability of the organization. To cook tasty food it is required to arrange the entire ingredient properly, Like that marketing mix is just.Like cooking food where all the Ps' should arrange properly otherwise it will Wastage. Here entrepreneur should understand how to make good and delicious food for their customer. Entrepreneur is the person who runs the enterprise. He/she is contributing for the development of country's economic condition. The development of the nation depends upon participation of the both the sex. The role of women is not confined within the four wall its cross that boundaries and she also would like to do something.

Women in India has created a rejuvenate position in Society. They would like to create new position and identity, especially of their role taking and breaking new paths. Apart from enormous potentiality among women but being underutilized or unutilized for the economic development of the nation. There is need to strengthen and streamline the _role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth. Women as an independent target group, account for 495.74 million and represent 48.3% of the country's population, as per the 2001 census. No country can achieve its potential without adequately investing in and developing the capabilities of women. In the interest of long-term development it is necessary to facilitate their empowerment. In many developing countries, including India, women have much less access to education, jobs, income and power than men.

Women entrepreneur means a business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she/ they individually or jointly have a share capital of not less than 51% as Partners/ Shareholders/ Directors of Private Limits Company/ Members of Cooperative Society. Traditionally, the role Of women was naturally limited to the family, According to Kamal Singh, a women entrepreneur can be defined as confident, innovative and creative women capable of achieving self- economic independence individually Or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life. According to government of India, "an enterprise owned and controlled by a women having a minimum financial - interest of 51 % of capital and giving atleast 51% of the employment generated by the enterprise."

Confusion for set the right pricing

Price is the amount charged for a product or service. The price is a conditioning element in marketing mix. By conditioning', the price, determines if the product chosen, as first choice, is the one desired, Price is set independently of the rest of marketing mix rather than as an intrinsic, element of market positioning strategy and price is not varied enough for different product items, markets, distribution channels and purchase occasions (Kotler et. Al. , 2007). Price is a critical factor while it related to product. Pricing is a fundamental element of perceived consumer value and integral part of marketing mix. While women entrepreneur designed a new product or service during that time pricing dilemma will come Le. What to charge for it? As we know that price is a very sensitive matter for success of a product. This article I would like to highlight that some confusion such as factors influencing for fixing price, price comparison, alternative pricing policies, pricing method and re-fixing of pricing of product,

Objective of study:

The objectives of this study is to know about pricing methods, situation, factors influencing during price fixation and re fixation by an women entrepreneurs.

Methodology

This study is based on the random sampling of 62 respondents from modem SSI units of policy in various Hyderabad Andhra Pradesh. Data were collected by interviewing the respondents using questionnaires. The industrial units were grouped into seven units such a beauty salon, ladies tailor, boutique, pickle and pampad, food chemical, appliqué work and miscellaneous. The respondents (Entrepreneur) were asked to rank the methods used, attributes considered, problems faced on. They were also given to rank ef one to three. Weighted scores and average-weighted scores were used to express the degree laf-feeling attitudes and frequencies,

TABLE- 1 important factors in setting the price

| Sl. No. | Factors | Average weighted score for various products groups | | | | | | | Total |
|---------|--------------------------|--|---------------|-----------|-----------------|---------------|---------------|---------------|-------|
| | | Beauty saloon | Ladies tailor | Boutiques | Pickle & pampad | Food chemical | Applique work | Miscellaneous | |
| 1. | Cost of production | 2.4 | 2.6 | 2.6 | 2.5 | 2.2 | 2 | 2 | 2.4 |
| 2. | Demand of the product | 0.57 | 0.69 | 0.4 | 0.33 | 0.29 | 0.17 | 0.6 | 0.44 |
| 3. | Competitor's price | 1.6 | 1.1 | 2 | 1.8 | 1.9 | 1.8 | 0.8 | 1.6 |
| 4. | Consumer paying capacity | - | 0.25 | - | 0.17 | 0.53 | 0.17 | - | 0.16 |

Factors influencing pricing

There is various factors influence the decision of setting the price of a product. But non-price factors can't be ignoring in this modern times. For sales and generate profitability, price remains an important factor. It is evidenced that cost of production has considered as an important factor for setting the price by all the entrepreneurs of various groups of-the SSI units, this is followed by competitor's price and demand for the product. The consumer paying capacity is not taken into consideration because the bargaining power of the seller is minimal to the choice of product. In chemical units the importance of maximum retail- price (MRP) from consumer point of View has stressed.

Price comparisons

Competitor price plays a major role in determining the range of possible price. It depend upon the firm's decision where they will charge more, the same or less than the competitor. It is depending upon the features; unique-selling proposition etc. of the product competitor's prices had a strong influence on fixing the price` About thirty seven percent in total of the entrepreneurs charged lower prices in comparison with competitors. Low prices are charging in case of readymade garment manufacturers because large number of similar units.

Forty two percent of the entrepreneurs charged lower prices at par with the competitors. About eighty percent of the entrepreneurs were going for low or same prices in comparison with the competitors. Only five percent of the units reported charging higher prices in comparison with the competitors women entrepreneurs charged a lower price than their competitors.

From the table -2 the following vital factors revealed that 41.9% entrepreneurs are changing prices as per their major competitors' more over 31.1% and 4.8% are charging prices below and above prices from their competitor respectively. Out of 62 entrepreneur about 4.8% are adopting both on above and at par price fixed whereas 3.2% entrepreneurs are fixing their price by taking into below or above or at par price from their competitors.

Table- 2: Comparison of price fixation with major competitors

| Sl.no | Prices level in comparison with major competitors | Proportion (%) of the SSI units | | | | | | | Total(62) |
|-------|---|---------------------------------|----------|-------|---------|---------|---------|-------|-----------|
| | | | | | | | | | |
| 1. | Below | 14.8(1) | 62.5(10) | 40(2) | 16.7(1) | 41.2(7) | 16.7(1) | 20(1) | 37.1(23) |
| 2. | Above | 28.6(2) | - | 20(1) | - | - | - | - | 4.8(3) |
| 3. | At par | 28.6(2) | 37.5(6) | 40(2) | 33.3(2) | 35.3(6) | 66.7(4) | 80(4) | 41.9(26) |
| 4. | 1&2 | - | - | - | - | - | - | - | - |
| 5. | 2&3 | 14.3(1) | - | - | - | 5.9(1) | 16.7(1) | - | 4.8(3) |
| 6. | 1&3 | 14.3(1) | - | - | 16.7(1) | 17.7(3) | - | - | 8.1(5) |
| 7. | 1,2&3 | - | - | - | 33.3(2) | - | - | - | 3.2(2) |
| | Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Alternate pricing policies

Mostly small scale firms prefer to adopt a one price policy or a variable price policy for the same product item in their effort to maximize profits. A single price refers that entrepreneurs are charging different price for different customers, A differentiate prices are charged from different customers depending on the bargaining power, geographical region, size of purchase etc. of the customers. A variable price policy is not advisable in all situations. As per the study of pricing policies distribution it has been revealed that 53.3% single or fixed pricing policies are adopting where as 46.8% adopting variable pricing policies. On the basis of

product wise classification it has been found that food chemical group (94.1 %) followed by beauty salon units (71.4%) mostly follows single price policy. Where pickle and pampad enterprises are mostly prefer variable pricing policies.

Pricing objectives

firm's pricing objectives is to maximize profit, to meet a specific target return on investment, to achieve a target sales level, to maintain or enhance market share and to meet or prevent competition, To find out what objectives were really follow formulating the pricing strategy. Ten entrepreneurs were to point out the objectives which they had been following initially and at the time of the study.

Table- 3: Pricing policies distribution.

| Sl.no. | Pricing policy | Products groups (%) | | | | | | | Total score(62) Total(62) |
|--------|----------------|---------------------|--------------------|--------------|---------------------|---------------------|------------------|------------------|------------------------------|
| | | Beauty(7) | Ladies tailors(16) | Boutiques(5) | Pickle & Pampad (6) | Food chemicals (17) | Applique work(6) | Miscellaneous(5) | |
| 1. | Fixed | 71.4(5) | 37.5(6) | 20(10) | 16.7(1) | 94.1(16) | 33.3(2) | 40(2) | 53.3(33) |
| 2. | Variable | 28.6(2) | 62.5(10) | 80(4) | 83.3(5) | 5.9(1) | 66.7(4) | 60(3) | 46.8(29) |

Table-4: Shift in pricing objectives

| Sl.no | Present Initial | Cost plus | Target return on investment | Target on sale | premium | Meet competitors | Others |
|-------|-----------------------------|-----------|-----------------------------|----------------|----------|------------------|--------|
| 1. | Cost plus | 40.6%(13) | 17 | 2 | - | - | 32 |
| 2. | Target return on investment | - | 95.7%(22) | 1 | - | - | 23 |
| 3. | premium | - | - | - | - | - | - |
| 4. | Meet competitors | 1 | 3 | - | 33.3%(2) | - | 6 |
| 5. | Others | - | - | - | - | 100%(1) | 1 |
| Total | | 14 | 42 | 3 | 3 | 1 | 62 |

From the above table it has been shown that 62 % of the units did not change in their method as indicated by the diagonal elements in the matrix. 40.6% of the units that started with cost plus pricing and about approximately 95.7% of units that started with market price continued to follow the same method. 33.3% entrepreneur's tries to meet the competitors and

none of the entrepreneurs ventured to charge to premium prices. Most of shift in method of pricing was mainly from cost plus pricing to target return on investment.

Table- 5: Pricing method to adopt different situation

| Sl.no | Situation | Methods (%) | | | | |
|-------|------------------------|-------------|-------------|---------|-------------|----------|
| | | Cost plus | Competitive | Premium | Penetration | Others |
| 1. | Introduce new products | 50(31) | 24.2(15) | - | 24.2(15) | 1.6(1) |
| 2. | Meet competition | - | 72.69(45) | - | - | 27.4(17) |
| 3. | Get market share | - | 48.4(30) | 8(5) | 1.6(1) | 43.6(27) |
| 4. | Increase sales | - | 58(36) | - | 29(18) | 12.9(8) |

Pricing methods adopted during various situation

Entrepreneurs adopted different pricing methods at different situation. About 72.69 % of entrepreneur's resorted to competitive method of pricing to meet the competition. 50% are adopting cost plus pricing when introducing new products. To increase sales it is require to adopt competitive and penetration pricing method,

From the table -5 it is revealed that 50% entrepreneurs are followed cost plus pricing, 24.2% competitive pricing, 24.2% used penetration pricing. 72.6% entrepreneurs are followed the competitive pricing method and 27.4% other methods to meet competition. To get a lion share in market 48.4% adopted competitive, 8% premium, 1.6% penetration and 43.6% other methods. 58% entrepreneurs prefer competitive pricing, 29% penetration and 12.9% other method.

Re-fixation of prices

Re-fixation is applicable when fixing prices of product. There are different factors influence for change in price i.e., changing in major competitors- prices, selling in a new market and cost of production compel the marketers to the price of the products. For re-fixation of the price, the first factor which is leading named as change in major competitors price. That followed by change in overall trend in market place as indicated by the weighted scores. Change in cost of production took stand at third position*1 in this regard. To sell in new market this is followed to for boosting sales. Change in cost of production was the most important

factor effecting re-fixation of price in garment units Boutiques and pickle and pampad units operate in a very competitive market and change 'm competitor's price influenced them the most.

From the table No 6 prolonged that for boutiques 0.8% re-fixation their price due to boosting sales, 1.2 % in overall trend in market prices, 2% in major competitor@ price and 0.6% in cost of production. In a beauty salon 17% re-fixed due to change in overall trend in market prices, 0.86% due to major competitors price and 1,1% in cost of production, 1.3% change in overall trend in market price, 0.56% change in major competitor's price, 1.6% change in cost of production in the field of ladies tailor. For pickle arid pampad 1.1% due to change in overall trend in market price, 2.2 % for major competitor,0,33% selling in a new market, 1.7 % for cost of production. In the appliqué work 1.8% change in overall h-end in market prices, 1.5% due to change major competitor's price and 1% for change cost of production.

Table- 6 Re-fixation of product price

| Sl.no | Factor | Average weighted score for various product groups | | | | | | | |
|-------|------------------------------------|---|---------------------|--------------|---------------------|--------------------|-------------------|-------------------|------------|
| | | Beauty (7) | Ladies tailors (16) | Boutiques(5) | Pickle & Pampad (6) | Food chemical (17) | Applique work (6) | Miscellaneous (5) | Total (62) |
| 1. | For boosting price | - | - | 0.8 | - | - | - | - | 0.11 |
| 2. | Change in overall market prices | 1.7 | 1.3 | 1.2 | 0.5 | 1.1 | 1.8 | 2.2 | 1.4 |
| 3. | Change in major competitor's price | 0.86 | 0.56 | 2 | 2.2 | 2.2 | 1.5 | 0.6 | 1.41 |
| 4. | Selling in new market | 0.29 | - | - | 0.33 | 0.11 | - | - | 0.1 |
| 5. | Change in cost of production | 1.1 | 1.6 | 0.6 | 1.7 | 1.4 | 1 | 1.6 | 1.3 |

CONCLUSION

In the decision making process women entrepreneurs were highly influenced by two major factors like the cost of production and competitive price. Near about 42 % of the unit

fixed their price at par with major competitive whereas 37% of them fixed the price below the competitive price. The fixed or variable pricing policies were adopted by most of women entrepreneurs to a great extent. The pricing objective of women entrepreneurs has undergone change in course of time. Initially the main objective was market penetration and subsequently their objective was for improving market share. Initially 40.6% entrepreneurs followed cost plus pricing method and later part they have given emphasize on target return pricing. '72.69% women entrepreneurs adopted competitive pricing to confront their competitors. Women entrepreneurs have ability to participate in the race of economic growth but due to lack of experience, mobility, male dominance, lack of education etc. binds their hands. They have to depend upon male members in the family for marketing activities and fixing the price of the product. Rather than using cost plus pricing they have to follow premium pricing which help her to get high margin profit.

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