A STUDY ON CUSTOMERS PERCEPTION TOWARDS KHADI AND VILLAGE INDUSTRIAL PRODUCTS WITH SPECIAL REFERENCE TO COIMBATORE CITY.

Dr. U. Archana

Head, Department of Management (PG) and Research,

VLB Janakiammal College of Arts and Science, Kovaipudur, Coimbatore-641042.

Introduction

India is a country with immense resources which attracted many countries to utilize and enrich their economy at greatest level. In today's world of rapidly changing technology, customer taste and preferences are also characterized by fast changes. Rapid development of industries in the rural area is necessary for the development of India and as well as to make people economically independent. The small-scale industries are an important part of the economy as they help to increase employment and the economic development by increasing the urban and rural growth and the role is to help increase the government infrastructure and reduce the issues like pollution, poverty and slums. SSI provides employment, women growth, balanced regional development, mobilization of local resources, optimization of capital, promotes exports, develops entrepreneurship. Rural development is the back bone of the Indian economy. So, Government is trying to overcome the problem of rural unemployment through several steps. One such effort is the formation of Khadi and Village Industries Commission (KVIC).

Contribution of Khadi to Indian Economy

The Khadi and Village Industries Commission (KVIC) is playing an important role in Indian economy as it covers about 10.48 lakh villages throughout the country. Khadi means production, distribution, exchange and consumption of hand spun yarn and hand-woven cloth. KVIC is important from the point of view of the diminution of unemployment, increase in national production, increase in the purchasing power of the poor and the collective wealth of the nation. The KVIC has worked out a plan to supply KVI products in a big way to the central and state Government organizations. In a significant move to strengthen the rural economy and to ensure self-sustainability, the Khadi and Village Industries commission (KVIC) unveiled a unique government online shopping platform (ekhadiIndia.com) which will showcase over 50,000 products.

Objectives of the Study

The specific objectives formulated for the study are

1. To identify the influence of demographic characteristics of the respondents over their Perception on KVI products.
2. To assess the customer perception and knowledge towards using KVI products.
3. To suggest measures to improve the sales of KVI products.

Customer Perception

According to Mahatma Gandhi (1890), Customer is the King and the most important visitor in our premises, he is not dependent on us, we are dependent on him .Customer Perception and satisfaction plays a vital role in the present marketing scenario and every marketer is expected to know the pulse of the customers while discharging the functions of marketing . It would be very much helpful for the marketers and researchers to analyze the perception and satisfaction of the customers.

Customer perception refers to the process by which a customer selects, organizes and interprets information / stimuli inputs to create a meaningful picture of the brand or the product. Customer perception is how customers feel about the product and brand. Products success depends on creating a positive customer perception.

Limitations of the study

Several limitations should be noted while interpreting the results of the study, researcher have only considered 20 Khadi shops located inside the Coimbatore city for the study and have not included other shops. So further study can be done on all other KVI shops in Coimbatore district. The result may change when applying the research model to other locations in India. This research study was confined to Coimbatore city. Hence the overview of the study may not hold good for the entire universe. As for the respondents of this study, a total of 500 customers were taken from the 20 Khadi shops inside the Coimbatore city.

Statement of the problem

After liberalization, with the entry of private players and multinationals, the business environment has become more competitive and tough. It affects the functioning of KVI to a great extent from different angles. At this juncture, customers are the fulcrum for the success of any business organization that deals with marketing of products and services. Marketing performances of any business organization is highly influenced by the customers who form the core of business transactions. The current research is an attempt to study the customers perception using the products of Khadi and Village Industries in Coimbatore city.

Review of Literature

Venkata Subbarao, P., and Soma Sekhar, S., (2015). "Gandhiji's Concept on Khadi and Rural Development." Khadi and Village Industries has a long way to go as it suffer from too much of reliance on budgetary sources, lack of adopting new market techniques and lack of product innovativeness. Modernization of gear and the tasks of the Khadi Institutions and remodel of stores are the other huge difficulties. Steady deal and better yields are fundamental to compensate the craftsman well on schedule and furthermore a consistent increment in compensation is an absolute necessity to keep the craftsman in the stream.

Vandhana Bhandari and Nisha Arya, (2019). "Khadi: A Sustainable Handicraft".Khadi sector is yet to utilize its full potential by tapping new opportunities by improving quality, design and product diversification opportunities. KVIC should further take initiatives through research and development to modify the techniques for improving raw material. Substantial efforts need to be taken in order to reduce the cost and make it more consumer friendly for its awareness and. If Khadi is encouraged in the International market too, it would uplift the rural market and gain good amount of foreign exchange for India.

Fredrieck Ahenkora, (2020). "Customer Perception and satisfaction towards service providers." Customer perception is an important component of business relationship with their customers.The success or failure of a business to a great extent is influenced by customer perception. Though customer perception about a product or service to some extent is said to be based on his or her actual experience obtained from the use of specific goods or service, it is also influenced by a variety of other factors such as price, quality, and reputation of the manufacturer, branding, and packaging including other psychological factors.

Manpreet Singh, (2021). "Vocal for Local.' Development of the KVI sector contributes towards country - wide initiatives such as 'Make in India', 'Vocal for Local' and 'Aatmanirbhar Bharat' 'self-reliant India',. The export of khadi masks will help to increase production and ultimately help boost employment. As the masks are cost effective, breathable, reusable, washable and bio-degradable, their demands are increasing globally. KVIC is operating continuously, but the purpose of production, sales and creation of employment is not satisfactory.

Dhanalakshmi, G., and Siva Sakthivel, E.K., (2021). "A study on Factors Influence to Buy Khadi products in Nagapattinam District." A customer is surrounded by four key factors when considering any purchase: the product, the price, the promotion and the sales channel. There are various aspects that must be known by a customer before purchase of khadi products. There is high level of awareness in method of usage, place of

availability, durability and quality of khadi products. Low level of awareness is identified in price, material used and place of production of khadi products.

Neetu Jha, (2021). "Journey of Khadi in India: from Gandhi's Signature Fabric to Fashion Garment." There is a need to improve training facilities in the Khadi units. KVIC should maintain the direct contact with weavers and artisans and should register their grievances. Adequate infrastructural facilities might encourage customers perception on brand. The Khadi and village industries have a good potential for generating gainful employment opportunities along with avenues of self – employment with less capital investment . In the current market scenario, the KVI sector is facing many opportunities and challenges. There lies a gap between the production of Khadi and sales of Khadi.

Research Methodology

Research methodology is the specific procedure or technique used to identify, select, process and analyze information about a topic. It is the overall study of validity and reliability. The major objectives of this study is to find out the perception of customers towards Khadi and Village Industrial Products. A descriptive research design is used for the study. The researcher selected 500 respondents from the shops and collected the data required for the study. Questionnaire method was used to collect data from customers

Statistical Tools

Statistical methods extract information from research data and provides various ways to assess the robustness of research results (Zulfiqar Ali, 2016)**.** All the respondents selected for the current study are the customers of Khadi shops. The statistical tools used for the study are Chi-Square Analysis and Anova

Analysis & Interpretation

Demographic factors and Customer Perception towards KVI products – Discriminant Analysis

To identify Customer Perception towards KVI products, Discriminant analysis was carried out, it is a statistical technique which allows to study the differences of two or more groups with respect to several variables simultaneously and provides a means of classifying any object or individual into the group with which it is most closely associated and to infer the relative importance of each variable used to discriminate from different groups. A linear combination of predictor variables, weighted in such a way that it will best discriminate among groups with the least error is called a linear discriminant function and is given by:

$D = L_1.X_1 + L_2.X_2 + ………………+ L_K.X_K$, where Xi 's are predictor variables, Li's represents the discriminant coefficients, and D is the value of the discriminant function of a particular individuals/element such that if this value is greater than a certain critical value D*=(D1 bar + D2 bar)/2, the individual would be classified in group I ; otherwise the individual would be classified in Group III.

In the present study there are three groups namely respondents with lower perception (Group I n1=145), medium perception (Group II n2=190) and respondents with higher perception (Group III n3=165). Fourteen Predictor variables considered for the analysis are mentioned below.

Table 1: MEAN SCORE- Respondents with Lower perception and Higher Perception

S. No	Predictor Variables	Respondents with	
		Lower perception score (n1=145)	Higher perception score (n3=165)
1	Gender-x1	s1.65	1.78
2	Age-x2	1.62	1.78
3	Educational qualification-x3	3.27	3.11
4	Marital status-x4	1.27	1.41
5	Occupation status-x5	2.58	2.48
6	Monthly family income-x6	2.00	2.04
7	Area of residence-x7	1.85	2.07
8	Frequent place of purchase-x8	2.31	3.07
9	Duration of using the products-x9	2.46	2.44
10	Frequency of purchase-x10	3.19	3.56
11	Types of products-x11	2.46	2.72
12	Sources of information about the product-x12	2.00	1.74
13	Overall opinion towards using the products-x13	2.88	2.74
14	Recommend KVI products to others-x14	1.04	1.00

Table 2: Tests of Equality of Group Means Univariate ANOVAs

S. No	Explanatory Variables.	Wilk's Lambda	F (DF=1, 588)	Sig
1	Gender-x1	0.99	1.55	0.21
2	Age-x2	0.97	8.49**	0.00
3	Educational qualification-x3	0.99	4.00*	0.05
4	Marital status-x4	0.98	4.88*	0.03
5	Occupational status-x5	0.99	1.37	0.24
6	Monthly family income-x6	1.00	0.06	0.80
7	Area of residence-x7	0.98	6.19**	0.01
8	Frequent place of purchase-x8	0.92	22.89**	0.00
9	Duration of using the products-x9	1.00	0.02	0.89
10	Frequency of purchase-x10	0.98	6.15*	0.01
11	Types of products-x11	1.00	0.40	0.53
12	Sources of information about the product-x12	0.97	8.02**	0.00
13	Overall opinion towards using the product-x13	0.97	7.33**	0.01
14	Recommend KVI products to others-x14	0.98	5.36*	0.02

*-Significant at 5 % level   **-Significant at 1 % level

Step wise Canonical Discriminant Function Fitted

$D = -4.788 + .552\,X_5 + .864\,X_{12} + .758\,X_{10} + .552\,X_9$

Test Functions

Eigen value: .197

Percentage of variation explained: 100

Wilk's Lambda = .835

Chi-square   =47.0794**   DF = 3   p = .000

Canonical Correlation: .406

The discrimination function fitted with 14 explanatory variables. This equation statistically significant and classify the original data into two groups namely respondents with lower overall perception and respondents with higher overall perception.

Classification of Individual

Using the Discriminant function fitted and the observed predictor variables of the respondents, the respondents are classified and the correct % of classification is presented below.

Table 3: Percentage of correct classification by using Discriminant Function on the data

Respondents with	Lower perception score	Higher perception score	Total
Lower perception score	85	60	145
Higher perception score	40	125	165

The table 4.33, it is observed that out of 145 respondents with lower overall perception, 85 were correctly classified. Out of 165 respondents with higher overall perception, 125 were correctly classified. The percent of correct classification of respondents using the observed observation clearly indicates adequacy of the model in discriminating from the two groups.

Relative Importance of Predictor Variable

The relative importance of each predictor variables in discriminating from the two groups is obtained and the results are presented below.

Table 4: The Relative Importance of Variables in Discriminating between the Groups

S. No	Explanatory Variables	Importance value of the variable (I_j)	Relative Importance (R_j) %	Rank
1	Duration of using KVI products-x10	0.01	2.38	3
2	Frequency of purchasing the KVI producst-x11	0.28	66.67	1
3	Sources of information about KVI products-x12	0.13	30.95	2
	Total	0.42	100.00	

It is seen from the above table that three variables namely duration of using KVI products, frequency of purchasing the product and sources of information about KVI products, are substantially important variables in discriminating between the two groups namely respondents with lower perception and respondents with higher perception among the respondents.

II. Customer Perception towards using KVI products

The Weighted ANOVA is performed using five rating scale and assigning score 1 for strongly disagree; 2 for disagree; 3 for neutral; 4 for agree and 5 for strongly agree and the results are presented in the following tables, to estimate and compare the mean level of Customers Perception towards KVI products.

Table 5: ANOVA

SOURCE	DF	SS	MS	F
Between groups	15	307.99	20.53	27.62**
Within groups	7984	5932.35	0.74	

**- Significant at 1 % level

Null Hypothesis:

There is no significant difference in the mean perception score towards KVI products among the customers. The mean scores among the respondents is furnished below:

Table 6: Customer Perception towards using KVI products

S. No	Factors	Mean score	Rank
1	Suitable for all climatic conditions	3.14	9
2	Appropriate for emerging health consciousness	3.11	11
3	Convinced with the variety of KVI Products	3.03	14
4	Safety aspects in KVI Products	3.42	1
5	KVI product prices are fair compared with other products	3.26	5
6	KVI products are fresh and good	3.17	7
7	KVI products are fertilizers free	3.33	3
8	Sales and promotional activities of the KVI products are appreciable	2.86	15
9	Protects from diseases	3.14	10
10	KVI products are good in Quality	3.11	12
11	Availability of KVI products	2.61	16
12	Packaging and maintenance are good	3.22	6
13	Size and weight of KVI Products is appropriate	3.33	4
14	KVI stores and its products attracts me	3.11	8
15	KVI products has medicinal value	3.40	2
16	Less maintenance in using KVI Products	3.09	13

Table 6: describes 16 factors on Customer perception towards KVI products, the mean score ranged from 2.61 to 3.42.

Findings

- The discrimination function fitted with 14 explanatory variables. This equation statistically significant and classify the original data into two groups namely respondents with lower overall perception and respondents with higher overall perception.

- Out of 145 respondents with lower overall perception, 85 were correctly classified. Out of 165 respondents with higher overall perception, 125 were correctly classified. The percent of correct classification of respondents using the observed observation clearly indicates adequacy of the model in discriminating from the two groups.

- Three variables namely duration of using KVI products, frequency of purchasing the product and sources of information about KVI products, are substantially important variables in discriminating between the two groups namely respondents with lower perception and respondents with higher perception among the respondents.

- Majority of the respondents perceived KVI products for its safety measures, it secured first highest mean score of 3.42, Medicinal values as the second highest mean score 3.40. It explains the fact that most of the products in KVI are used to cure disease or relieve pain. The third highest mean score of 3.33 was marked for KVI products being fertilizer free. The availability of KVI products secured least score of 2.61.

Suggestions

- KVI should concentrate more on online shopping to attract new customers. KVI should make tie ups with online shopping sites like Snapdeal, Flipkart, Amazon, etc., to make marketing easier.

- KVI should develop innovative ideas in bringing out new varieties of products. The Government should take special initiative to sell these products through department stores.

- KVI must build referral-generating activity into the sales process. KVI sales person should ask for referrals when they follow up with customers to answer questions after sales.

- KVI should offer quality e-marketing service to make the customers feel that the services offered by KVI are superior in quality.

- KVI should provide services like exchange of goods, replacement of expired items and poorly packed items and money refund to enhance customer satisfaction and increase sales. KVI should record the complaints of the customers and analyse them periodically.

- KVI should concentrate in promotional aspects such as shop displays, newspaper advertisements, hoardings, discount or rebate offers, exhibitions and trade shows, employment generation activity should make KVI products more competitive and acceptable among all age group of customers.

Conclusion

Understanding customer perception leads to the formation of healthier marketing strategies. The KVI can focus on appropriate pricing and promotional methods particularly to increase the clarity of KVI products to build positive impact on their perception and satisfaction so as to expand the future sales. The customer perception is one of the basic opportunities to improve customer relationship and understand what customer like and also what they need from the KVI. It is the right time to realize the importance of the contribution of KVI and to formulate and implement the workable strategy for KVI in order to sustain the objectives of KVI, which Gandhi has thought of Khadi and Village industries bright future in the coming years.

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