

A study on Retailing of Leather Products in Vellore District

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Abstract

Using survey method, the present study aims at finding out the marketing activities carried out by the retailers of leather products, the price range, which their customers prefer, factors considered by buyers while making a buy and factors which contribute to success of business. Findings indicate, customers prefer high price goods, retailers rely on price reduction and discount but not on credit facility. Customers decide on the basis of product design but reasons for success of business are mainly found to be price and quality

Introduction

Prehistoric man wore hides and skins, which were preserved with juices that were extracted from tree bark. Leather provided footwear, garments, holders for weapons, shelters and many other products affording protection, comfort, durability and aesthetic properties in a combination that was not attainable from other materials¹. Despite efforts, particularly during the last 30 years, leather like materials from other fibers, sheet materials, and petrochemicals are used to substitute leather in the market². The consumer still prefers leather, demand for leather far exceeds the supply and the principal function of the substitutes has been to fill those needs for which the supply of leather is inadequate. So, the leather industry is growing at a tremendous pace

to supply several leather products to the domestic as well as international market³.

Leather has unique properties which make it ideally suited for use in the manufacture of a variety of product like shoe soles, footwear items, garments, luggage and personal leather products⁴. Extremely large variations exist in the leather properties because of differences in the types of skins employed. Materials employed as leather substitutes have been able to function in uses when only protection and flexibility have been the chief requirements. Example in upholstery, luggage, belts and shoes soles etc⁵.

Indian leather products market is growing at a faster rate because of changing socio-cultural, political and economic orders have transformed people into sophisticated and fashionable

consumers. This leads to the buying of leather products like footwear items, belts, wallet, luggage bags etc. In order to understand how the retailers of leather products taken for the study (Leather belt, wallet, wrist bag, and travel bag) are marketing their products the present study is undertaken with the following objectives

I. Objectives of the Study

- To find out the marketing activities carried out by the retailers of leather products to meet the needs of the customers
- To know the price range, which their customers prefer when they buy leather belt, leather wallet leather wrist bag, and leather travel bag
- To find out from the retailers and the factors taken into account by their customers while buying leather belt leather wallet, leather wrist bag and leather travel bag
- To know from the retailers the factors which have contributed to the success in their business?

II. Survey

A survey was carried out during August 2013 to collect the required data through printed questionnaires and schedules from retailers of leather products having shops in and around Vellore District. Separate schedule and questionnaires were given to the

retailers of leather products. The collected data were analyzed using simple statistical tools like percentage and averages.

III. Findings

Results of the survey are presented in the Appendix. The major findings of the Retailers Survey are listed below

Sale of Leather Products

- Majority of the surveyed retailers reported that leather belts and wallets are mostly sold in their shops. .
- **Table 1: Sale of leather products**

Products	Percentage
Leather Belt	98%
Leather Wallet	94%
Leather Wrist Bag	49%
Leather Travel Bag	31%

Price range preferred by customers

- **Leather Belt**
Majority of the surveyed retailers reported that the preferred price range of their customers is less than Rs.250

when it comes to buying leather belts

➤ **Leather Wallet**

Majority of the surveyed shop owners informed that their customers are willing to buy leather wallet in the price range of less than Rs.250.

➤ **Leather Wrist Bag**

Majority of the retailers reported that their customers are willing to pay more than Rs.300 for a wrist bag.

➤ **Leather Travel Bag**

Majority of the surveyed shop owners indicated that their customers go for travel bags, which are priced more than Rs.500

Table 2 Price Preference of Buyers Regarding Different Leather Products

Leather Belt		Leather Wallet	
Price	Percentage	Price	Percentage
< Rs.200/-	60%	< Rs.250	64%
>Rs.200/-	40%	>Rs.250	36%
Total	100	Total	100

Leather Wrist Bag		Leather Travel Bag	
Price	Percentage	Price	Percentage
< Rs.300/-	41%	< Rs.500	10%
>Rs.300/-	59%	>Rs.500	90%
Total	100	Total	100

Factors considered before purchase

Majority of the surveyed retailers reported that their customers considered Quality / Durability, Design/Model and Colour in that order whenever they bough leather products.

Table 3: Factors considered Before Purchase

Factors	Percentage
Color	56.67
Design	57.58
Durability	29.63
Price	42.75
Quality	53.13

Influence of Promotional Strategies

Majority of the surveyed retailer's that promotional activities adopted by them did have positive influence in the sales volume.

Granting concession & Credit Facility

Majority of the surveyed shop owners reported that they give concession's in the form of price reduction, discount to their regular customers.

Majority of the surveyed retailers informed that they do not give any credit facility to their customers.

Reasons behind business success

Majority of the surveyed retailers reported that the quality of their products, reasonable price, latest design/ model and repair service provided by them are the important factors which have contributed for the success of their business.

Table 4: Reasons for success in Business

Factors	Percentage
Offering Better Quality	27.68
Reasonable Price	22.32
Location	7.14
Special Orders	8.04
Courteous Service	4.46
Concession Facility	1.79
Latest Designs	16.07
Repair	12.5

Service	
Total	100

Source: All Tables Computed from Primary Data Summing Up

To sum up it must be stated that presently the retailers appear to be doing well in their business. However, to counter the entry of multinationals in the manufacturing and retailing of leather products the retailers should bring out products that will cater to the needs and wants of people living in the low income groups and rural areas to retain their market share. Further, the retailers should also realize that substitutes like plastics and rexin are also capable of taking away their market share. Last but not the least, manufacturers and retailers of leather products should earnestly try to evolve methods to dispose off their leather wastes so that they do not cause any ecological problems.

Reference

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