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A study on consumer perception towards pen

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ABSTRACT

Pen is a product, which has used by each and every person. There are various brands of pen in the market of different types of price, colour, design, grip, attractive ink, attractive body, etc. So the pen market is full of competition where the consumer possesses vast variety of choice to select his/her brand which depends on their perception. It is very difficult to find the consumer perception about pen, even though the present study tried to find how the consumer purchase and prefer the brand, what factors influence the purchase of preferred brand of pen? The technique of data collection is through questionnaire. The sampling technique used for this project is convenience sampling. A closed ended with suitable scaling, open ended questions and discussion with the respondents was used to collect the required primary data. In this survey primary data were collected through interview schedule and mall intercept. Statistical tool used for analysing the data are cross-tabulation, Chi-Square- Goodness of Fit, Friedman Test.

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Introduction

Consumer perception is selection, organisation, and interpretation of marketing and environmental stimuli into a cohesive picture. Perception is a mental process, whereby an individual selects data or information from the environment, organizes it and draws significance or meaning from it.

Perception is a basically a cognitive or thinking process and an individual's activities, emotions, feelings etc. are based on his perception of his surroundings or environment. Perception being an intellectual and cognitive process will be subjective in nature. This means that different people may perceive the same environment differently based on the effect of the environment.

Stationery has historically meant a wide gamut of materials: paper and office supplies, writing implements, greeting cards, glue, pencil case etc. With the opening up of the economy, the top, and not only premium products, entered the market while high priced ones are being sold in small, unassuming way-side stores. One thinks of any global brand and it is here. These include designer and status symbol pens, be it Parker, Cross, Mont Blanc or Cartier, Reynolds.

The market for writing pens is estimated at 1600 to 2400 million pieces a year. By value, the total market for writing instruments is estimated at Rs 22 billion and is growing at around 8 to 9% annually. The informal sector's contribution to the market is placed at over Rs 6.6 billion or 30% of the total market by value and 65% by quantum. While by numbers the low-end market accounts for 90%, the premium and top-end segment accounts for less than a percent. The balance is accounted for by the moderately priced mid-priced products.

The global market in writing instruments is estimated at about USD 38 billion, of which global pen market accounts for nearly USD 30 bn. The Indian market size is relatively small. In terms of quality of pens, India ranks amongst the best in the world, well ahead of even China. However, India's export market is abysmally low at Rs 2 billion, while China exports Rs

50 billion worth of pens every year. Corporate gift segment in India is valued over a billion, growing at 15%.

The Indian market consists of around 15 large scales, 100 midsize and 900 small scale manufacturing units. These units have a combined production capacity of over 10 million pieces a day.

About 80% of the revenues of the pen industry in India come from pens with a price range of upto Rs 15. A small percentage of pens are priced in the range of Rs 100 to Rs 300 and miniscule of the market is contributed by the super-premium segment in which the price tag goes to as high as Rs 100,000 or more. While the market for lower price range (up to Rs 15) is growing at a rate of 7 to 8% annually, the market for pens above that range is growing at 8 to 10%. The rate of growth of high priced writing instruments is much higher - basically because of a small base. There is, nevertheless, in the recent period, a price up gradation in evidence at the low-end. As the market is developing in the new ambience, the products are getting upgraded.

The market is segmented broadly into products required by (a) young students (many of whom depend only on pencils, gel pens and ball point pens), (b) frequent users (in offices, commercial and public establishments), (c) occasional users (like housewives and literate manual workers). While India's literacy rate is low, all literates do not use ball or fountain pens, if at all, only occasionally. Obviously, the per person usage is limited mainly to (a) and (b) segments. The usage norms differ from function to function; even as it does from one person to another and certainly from one segment to another.

The students account for 55 to 60% of the off-take followed by executives at 20-25% and other multilevel users accounting for 15 to 20% of the market.

The existing scenario gives an indication that the market in being dominated by the ball point pens, which accounts for 70% of the total demand for pens in India, followed by gel pens (20%), fountain pens (4%). The rest accounts for only 6% of the market. A majority of users, 85%, use blue ink, while black, red

and other color inks are used by about 15%. The major players in India include Reynolds, Cello, Add gel Pens, Parker, Today's Writing Products, Montex, Stic Pens, Linc Pens & Plastics, and Flair Pen.

Industry Profile

There has been a need to document through the use of writing instruments since the dawn of mankind. Pens and Pencils continue to be the staples of everyday life and indispensable items for everyday use. Writing Instruments continue to play integral part in the life of particularly every Business, School, and household. Pen as a product is close to people of all walks of life at different age and of different gender and the association of it is a lifelong one. For some with a good quality pen at finger tips actually elevates their confidence level and makes them feel good.

The advent of computers and related technologies has yet to make writing industry and Instruments Slow Paced and Obsolete. In fact, the writing Instruments embraces the evolution of technology by incorporating it into new products and using it to enhance business aspects and client services.

The size of the writing Instruments Industry in India is estimated at about Rs 2200 Crores of which organized players account for 65% of the market share and the unorganized players for the rest. The industry grew by about 13.5% in 2005-06 and 9-10% in 2009-2010, largely driven by the growth of organized sector, indicating that consumer are responding favourably to Quality and Branding. It is expected that promotion, easy availability, and affordability, branded off make will accelerate and help the organized sector eat into unorganized Presence.

India's Writing Instruments Industry is reserved for the small sector with a statutory limit on the maximum Investment in Plant and Machinery at Rs 50 Crores. As a result critical pen component like refills are manufactured in house, while all non-critical components are outsourced.

Most Indian companies cater to the "Value for Money" (i.e. High Volume Low Value Strategy) While International Players cater to Premiums segment operating through exclusive Distributors. Globally writing Instruments Industry is estimated at Rs 65000 Crores (p.a). China controls approximately 10% of the global markets while the Indian share had so far been mini scale. But given the superior quality perception that "Made in India" pens have over the Chinese; the buying preference of major retailers has been shifting to Indian Products and brands.

Market and Market Information

- The worldwide Market's Size for Writing Industry is Rs 65000 crs (p.a) USA market alone is \$3 Billion Dollars.
- China's exports of Pens are over Rs 6000 Crores (p.a).
- India's Pens Exports are merely Rs 200 Crores (p.a).
- The Annual Turnover of the Industry in India is now estimated at Rs 1800 Crores (p.a) and is expected to Increase annual growth rate by 1-15% (p.a).
- India is Viewed as Quality Supplier, where as China as Cheaper and Lower quality Products.
- Germany, Japan, Taiwan & Korea were hubs for the Writing Instrument Industry, But due to cast factor manufactured have started shifting to China and India.
- Previously Switzerland was the manufacturing centre for Ball point Tips, but now India is emerging as a major Tip Manufacturer satisfying not only Domestic demand but Global Demand also.

Identification of the Problem

Pen is a kind of writing instruments, which offers products at low price to high price to the ultimate consumer's. Due to the recent changes in the field of writing instruments there are different varieties of pens and pen brands are available in the market at an affordable cost. The perception of consumers about the pen keeps on changing. Most of the time the pen (writing instruments) companies are in dilemma regarding the perception of consumers and hence, due to the unpredictable nature of consumers, the companies face difficulty in redesign their business strategies. Because of this kind of issue prevailing in the market; the study was conducted.

Objectives of the Study

- To know the overall perception of the consumers towards different brand.
- To determine consumer preference in respect of pen brands.
- To know the consciousness of brand while purchasing a pen.
- To determine the reason for the preferred brand.
- To know the important features while purchasing a pen.

Scope of the Study

The present study has been carried out at Chennai region, Tamil Nadu. The study was conducted to analyse the consumer's perception towards pen and the factors which were taken into account were- preference of the pen brands, conscious of status of brand while purchasing, price, packaging style/ role, accepting offer of the pen, awareness of availability of pen point, refilling the pen.

Research Methodology

Table 1 Research Methodology

Research Design	Descriptive in Nature
Sampling Design:	
Population	Consumers in Chennai Region.
Sampling Unit	Consumers from different age groups, gender, locations and occupation.
Sampling Frame	Consumers who purchase and using the pen at Chennai Region.
Sampling Size	150 respondents
Sampling Technique	Convenience Sampling
Method of data Collection	Personal interview with respondents.
Type of Questionnaire	Structured questionnaire with suitable scaling.
Type of Questions	Closed ended, Open ended, Likert scale and multiple choice questions.
Statistical tools used	Cross tabulation, Chi-Square- Goodness of Fit Test, Friedman Test.

Analysis and Interpretation

Chi- Square- Goodness of Fit Test

Hypothesis:

H₀: There is no difference between the brands.

H₁: There is a difference between the brands

Level of Significance:

The researcher's preferred Level of significance is 5%. Therefore, the Level of Significance as 0.05 and the confidence level is 0.95 (i.e. 95%).

Type of Test:

Non parametric Chi-Square Test

Test Statistics:

Goodness of Fit- Chi square Statistics

Test Result:

The above test shows that the asymptotic significance is below 0.05. Hence alternative hypothesis (H₁) is accepted.

Table 2 Consumer's Preference about the Brand

Brand	Observed(N)	Expected(N)	Residual
Reynolds	66	25	41
Cello	39	25	14
Montex	7	25	-18
Flair	7	25	-18
Linc	2	25	-23
Other	29	25	4
Total	150		

Source: Primary Data

Table 3 Test Statistics

Consumer's preference about the Brand	
Chi-Square	122.800 ^a
Df	5
Asymp. Sig.	.000
0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25	

Source: Primary Data

Table 4 Ranking of brands

Ranking of Brands by the Consumer	Mean Rank
Ranking of the Reynolds by the Consumer	2.60
Ranking of Cello by the Consumer	2.29
Ranking of Montex by the Consumer	2.84
Ranking of Flair by the Consumer	3.45
Ranking of Linc by the Consumer	4.43
Ranking of other pen by the Consumer	5.38

Source: Primary Data

Table 5 Test Statistics

N	129
Chi-Square	260.953
Df	5
Asymp. Sig.	.000

Source: Primary Data

Inference:

The table, test statistics, provides the actual result of the Chi-Square Goodness of Fit. We can see from the table that the test statistics is statistically significant: Chi-Square (5) = 122.8, $p < 0.005$, we can reject the null hypothesis and conclude that there are statistically difference in the preference of the brand, with least respondents preferred the Montex (N=7), Flair (N=7) and Linc (N=2) compared to either the Reynolds (N=66) and Cello (N=39).

The footnotes to the table inform that there are no expected frequencies less than a count of 5.

Friedman Test**Hypothesis:**

H₀: There is no difference between the brands.

H₁: There is a difference between the brands

Level of Significance:

The researcher's preferred Level of significance is 5%. Therefore, the Level of Significance as 0.05 and the confidence level is 0.95 (i.e. 95%).

Type of Test:

Non parametric Test-Friedman Test

Test Statistics:

Chi square Statistics

Test Result:

The above test shows that the asymptotic significance is below 0.05. Hence alternative hypothesis (H₁) is accepted.

Inference:

The above table 4.3.1 shows the ranking of brands by the consumer is significantly different. The above table shows that, higher the mean rank higher the brands ranked by the consumer and lesser the mean rank lesser the brands ranked by the consumer.

Key Findings

- 71.3% of the respondents were male.
- 55.3% of the respondents were students.
- 38% of the respondents belonged to the age category of 11-20 years.
- 60% of the respondents preferred the ball pen.
- 44% of the respondents preferred the Reynolds brand.
- 36.7% of the respondents were come to know about the brand by TV Advertisements.
- Majority of the respondents ranked Reynolds as the 1st position.
- 36.7% of the respondents preferred the brand as smooth writing one.
- 80% of the respondents are keen on consciousness while purchasing the brand.
- 44.7% of the respondents were mostly preferred the price range between Rs 6-10.
- Majority of the respondents have chosen smooth writing as the important feature.
- 63.3% of the respondents have not refilled their pen regularly.

- 42.7% of the respondents have not refilling the pen.
- 67.3% of the respondents have opinion about awareness of different pen point available in the market.
- 44% of the respondents are normally using 0.5 type of pen point.
- 32% of the respondents have opinion about packaging role places a moderately important one.
- 32% of the respondents moderately fond the free offer for the pen.
- From the Chi-Square Goodness of Fit, the asymptotic significance is below 0.05. Hence alternative hypothesis (H1) is accepted.
- From the Friedman Test, the ranking of brands by the consumer is significantly different. The asymptotic significance is below 0.05. Hence alternative hypothesis (H1) is accepted.

Suggestions

- Consumers prefer the price range between Rs 6-10 and Rs 1-5; so, I suggest that Ball Pen companies should come up with the product in the effective price range of Rs6-10 and Rs 1-5, with 0.5 as the point size.
- The company should focus on the ball pen instead of other types of pens, which the students and the employees prefer mostly.
- Consumers do not give much importance to both package and the free offer.

- Consumers prefer the brand because of its smoothness in writing.

Conclusion

This present study was conducted to know the consumer perception about the brand of a pen. In this study it was observed that most of the consumers prefer the brand because of its smoothness in writing and some consumers prefer the brand name and ink quality. The study revealed that majority of the consumers prefer the price range between Rs 6-10 and Rs 1-5, so the company should keen on these range of products and also they can concentrate on other range also. Majority of the consumers have consciousness of status of the purchasable brand and consumers do not give much importance to package and free offer, so the company should not concentrate much on the package and free offer.

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