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RECENT MARKETING TECHNIQUES ON SUPER MARKETS: IT'S IMPACT ON RETAILERS

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Introduction

Marketing itself has a wide variety of flavors based on consumers, media & business in today's evolving & dynamic market place. According to American Marketing Institution

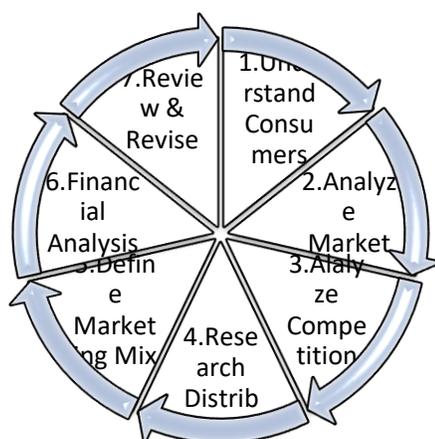
"Marketing is an activity, set of instructions & process for creating, communicating & exchanging offerings that have value for customers, clients, partners & society at large."

Marketing includes all necessary steps taken by the organization in order to sell its product & not only sell it but sell it with a good profit margin. Philip Kotler has rightly stated that *"Marketing is meeting the needs of customers at a profit."*

The organizations plan various strategies to win over its competitors when it comes about selling of products with wide profit margin. Many techniques are selected by organizations to attract mass consumers towards their product.

Some of these marketing strategies are discussed below-

The organizations main strategy in constructing its marketing plans is to combine all its marketing goals into one comprehensive goal. Always marketing research should be the base for marketing strategies. The focus should be on right product mix in order to achieve the most of profit potential & sustainability of the business. Basically marketing strategy is the foundation for marketing plan.



The above diagram focuses on various steps involved in marketing strategies.

Research Problem

The numbers of shopping mall are increasing day by day. Although shopping malls have now turned to be the necessity of each human being, it has also taken the living standards to different heights. There are almost 500+ shopping malls throughout the country out of which almost 40+ are present in Pune itself. The

count represents the popularity of shopping malls. But, this popularity is creating a trouble for small retail outlets. The varieties of options the shopping malls consist in themselves are attracting more & more people towards them. Hence the retailers are losing their potential customers & their gross profit is declining day by day.

This research is conducted to find the actual strategy used by the shopping malls to compel customers to prefer them rather than retailers & suggest various techniques for retailers to overcome this trauma.

Hypothesis

H⁰-The strategies of shopping malls are more capable to persuade customers than retailers.

H¹- The strategies of shopping malls are less capable to persuade customers than retailers.

Area & method of Study

Descriptive Method was followed to conduct the research. To attain information about marketing strategies& its impact on retailers we conducted survey with some selected shopping malls & retail outlets and coveredAundh, MG Road, Vimannagararea for the study.

- **Primary Data:** The source for primary data was through interaction with customers of selected shopping malls & retail factory outlets. *Malls like Phoenix, In Orbit, SGS, Pune central& various small retail outlets* were selected.
- **Secondary Data:** Secondary data was compiled from recent text books, reference books, journals, newspapers& websites.

Objectives

➤ *Shopping Malls*

- To find out marketing strategies used by shopping malls.
- Method used by the malls to decide their setup locations.
- Purpose of customers visiting mall
- To find out the rate of Customer satisfaction.

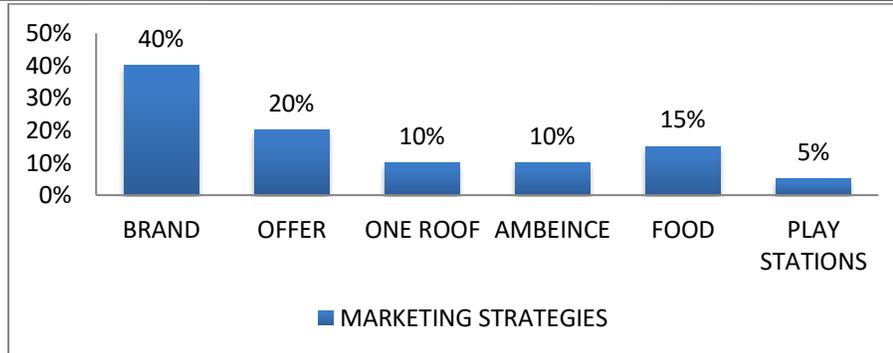
➤ *Retail Outlets*

- To find the problems faced by retailers due to increase in number of shopping malls.
- What steps do they take to overcome these losses?
- Ratio of profit margin now & before.
- What category of customer they try to attract.
- Customer satisfaction level of retailers.

Discussion

➤ *Marketing strategies used by shopping malls to attract more consumers:*

The survey result forecasts that different policies are under taken by the shopping malls to attract more & more potential consumers. Policies such as selling branded products, offers provided, shopping under one roof, customer help desk, ambience, food facility, play stations etc are commonly used. The rate of use of these strategies of different shopping malls in Pune can be better understood with the help of the following graph.

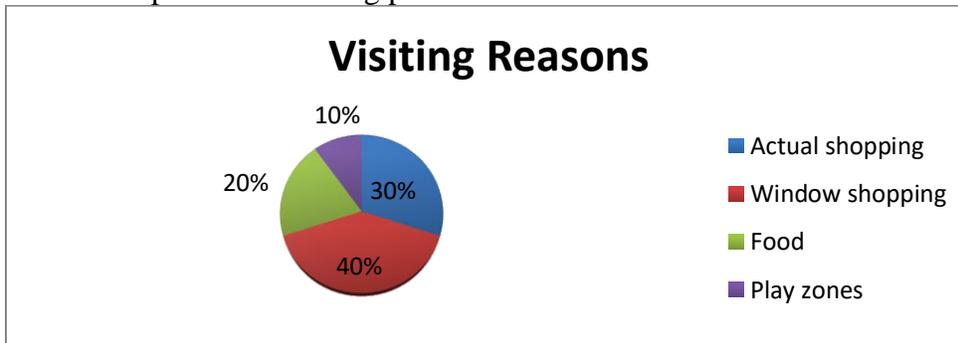


➤ **Setup location for malls:**

If we try to get a general view of the location of malls in Pune, we will find that majority of the malls are located in aristocratic area with more number of customers with high income level. This is mainly done to attract such customers on a higher level.

➤ **Why are the Malls actually crowded?**

It's true that the shopping malls always seem to be over crowded. But is this crowd always goods for the mall authorities? To find out, through our survey we tried finding the actual reason behind the customers visiting the malls. The survey result prompted that the number of customers visiting the mall for shopping purpose is quite less than that of others. It can be better understood with the help of the following pie chart.



➤ **Problems faced by retailer:**

While conducting the survey we came across many retailers who shared their opinion about the increasing number of shopping malls. They highlighted the fact that as number of shopping malls is increasing, their potential customers get attracted towards them. In order to hold back the customers they have to reduce the product rates which in turn results in reduction of their profit margin. The other problem faced includes increase in wastage of products due to decrease in demand.

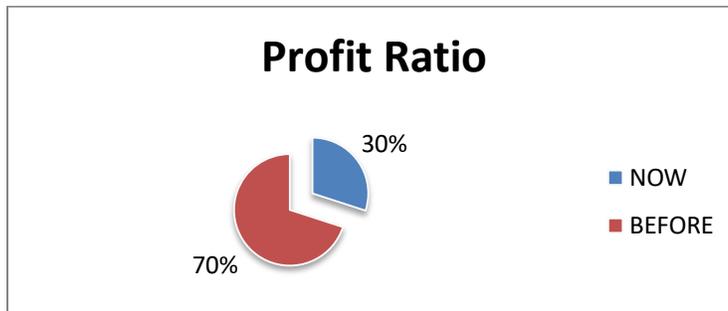
➤ **Steps taken to overcome crisis by retailers:**

The fight for survival is never been easy. The retailers also are having tough time in gaining back their position in the market. They are finding out new ways to get back their potential customers. In our survey we came across many such policies undertaken by the retailers to save their existence in the market.



➤ **Ratio of profit margin:**

The retailers were very firm on their opinion about their profit ratio now & before. Most of them commented that the profit margin has dropped a lot after the emergence of shopping malls.

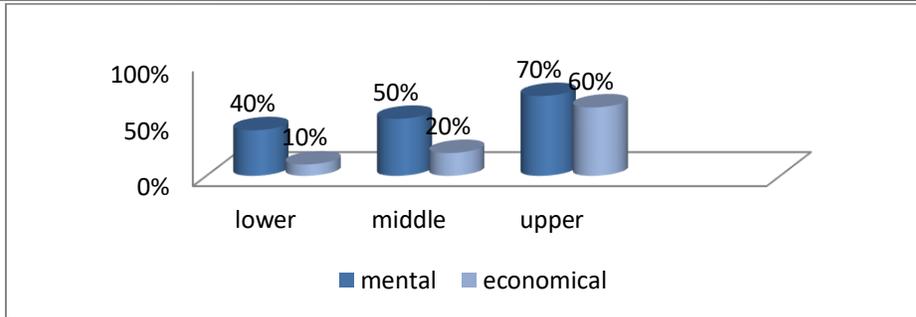


➤ **Category of customers:**

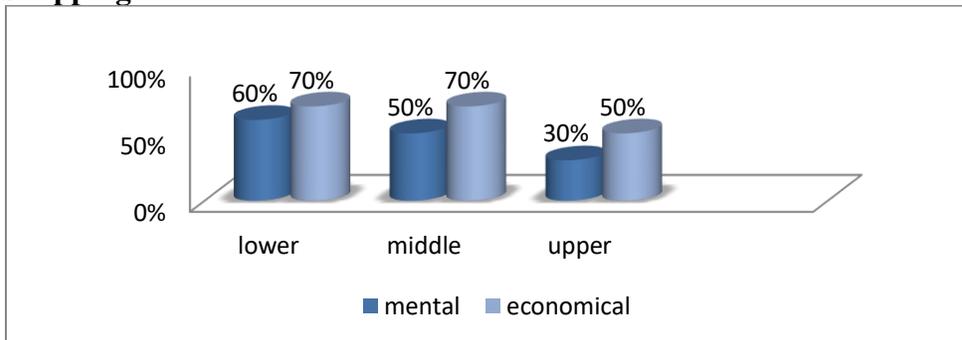
As we are very well aware of the fact that the shopping malls mainly attract youngsters & business class people, it is also found that many middle class people get carried away by the panache & charisma of high living standards. There are only few customers left for the retailers, as for them the malls are not easily accessible. Sometimes people are not ready to accept the changing circumstances and they prefer sticking to their family shops rather than going to the malls, the retailers thus mainly aim at attracting such category of customers.

➤ **Customer Satisfaction:**

In case of shopping experience both mental & economical satisfaction is important for the customers. Also this level of satisfaction varies with the income level of customers. It can be better understood with the help of the following graph.



Shopping



Retailers

Limitation:

- It was difficult to communicate with the retailers as there were less human resources available in the retail outlets.
- Due to time constraint, in-depth study was not possible.
- It was challenging to convince customers to give their valuable feedback.
- We could cover less number of concerns due their distance constraint.

Conclusion:

- The rapid emergences of shopping malls are adversely affecting the profit margin of retailers.
- The only tool left with retailer to survive in market is customer relationship.
- The ambience & charisma appears tempting to the customers.
- The retailers are mainly lacking in proper presentation of the product.
- At the end it all revolves around the customer as customers is rightly known as the *king of the market*.

Recommendations:

- The retailers need to improve their product presentation.
- The retailer should increase the range of products available with them.
- The shopping concerns should provide place for small shopkeepers in their malls.
- The location of the retail outlets should be centralized.
- There should be a clear classification of the category of product of shopping malls & the rest should left for retailers in order to maintain equilibrium.

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Annexure:

Questionnaire for shopping mall customers

1. Shopping preference-
 Malls Retailers
2. Reason to visit retail shop-
 Easy Shopping Bargaining Trust All above
3. Problem with malls-
 Over crowded Costly Only branded products All above None
4. Advantage of retailers-
 Personal attention Variety Cheaper All above None
5. Better Offers-
 Malls Retailers
6. Customer satisfaction-
 Poor Average Good Excellent

Questionnaire for retail outlet customers

1. Name-
2. No. of people working in shop-
 1 2-3 3-5 5 above
3. Offer range-
 10% - 20% 20%-40% 50% None
4. Maximum Response-
 Offer Period Weekends Weekdays Always
5. How do you attract customers-
 Price Offers Quality Personal affection
6. Main Problem faced because of malls-
 Reduction in No. of Customers Less profit Existence All above