

Supermarket impact on consumers marketing essay



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BUSTER**

Supermarket normally charge fewer prices than the traditional retailer and provide the large number of variety product and highly quality food. Price is the main object which attracts the customer of all classes. The customers always think about to save the money during shopping. According to reports the price of food in the supermarket is 15% lower and vegetable are 30% lower than the traditional retailer.

Supermarket impacts on retailers.

In India the chain of supermarket is spreading around the country which is directly affect the traditional retailers and their business is declining.

Supermarkets are getting the customer from these retailers and their sell is getting down. The traditional retailers are affecting fast in the large cities rather than towns which is trying to modernize to compete against these supermarkets. These supermarkets are creating more jobs and offer handsome salary and better environment to employers. The creation of jobs is the result of swapping the traditional retailers.

Supermarket impacts on formers.

By the time when the supermarket is getting modernize they need more suppliers for the purpose of quality, consistency, volume and costs. The impact of supermarket on supplier is related to the food processing and manufacturing enterprises. Supermarket sells approximately 80% of processed food and semi processed food. Supermarket affects indirectly by farmers because processors get demand and place them to retail client. When the farmers enter the channel of supermarket they earn 20% to 50% extra profit.

How to survive the retailers.

It is the serious matter weathers the Indian traditional retailers have ability to compete the modern retails and would be able to survive. It is fact that the traditional retailers is consist more than 95% of business in the country, but it is very hard to compete these traditional store against supermarkets, because these supermarket provides large scale of verity and offer cheap prices. According to reports wall mart is responsible of the closing of small shops around the country. Many companies are coming to open the supermarket in India, like Reliance fresh opened his first store in 2007 and announced that the company want to open about 5000 store in the coming three years in 1500 different cities. The company claim they want to provide fruit and vegetable in half price to customers.

1. Regulate the modern retail. To survive the traditional retailer it is necessary to regulate the modern retailers. Reduce the speed of expending of the supermarkets. There should be opening hours limit but depends only on location. The target of these regulations should be only supermarkets not small shops or traditional retailers.

Few countries have a policy of traditional or small retail shops. Even the large number of countries encourage the supermarket development instead to modern their commerce.

Spread of supermarkets in early stages, the supermarket is concentrating weakly and farmers and processors have a wide range of buyers among supermarket chain and traditional retailers. As a result it in necessary to for

the government to enforce the competition polices between supermarkets and traditional retailers.

2. Upgrade the traditional retail.

Other option to survive the traditional retailers it is necessary to upgrade the retailers and government need to facilitate them through different scheme.

The Indian government need to promote the traditional retailers modernization as well as competitiveness.

The government should accept the social and market role of supermarket and traditional retailers and encourage them.

2. To upgrade the wholesalers market.

It is necessary to upgrade the wholesale market to survive the small shops and farmers. Small shops normally buy the products from wholesale market and the wholesale market buys the products from farmers. Thus it is important the upgrading of wholesale market for traditional supply chain.

The modern cash and carry is act as the wholesales market, like Wal-Mart in India, metro in china, and macro in Pakistan.

The government of India and wholesale market association needs to upgrade the wholesale market for the access of retailers and farmers.

4. Help the farmers.

It is necessary to provide help to farmers to become competitive supplier for supermarket. Government need to provide technology and new information, training and services.

Conclusion

The revolution of supermarket is progressing in the developing countries.

This revolution also provides opportunity to the farmers but it is also impacting the business of small retailers.

Analysis.

Difference between supermarket and traditional retails.

The feature of supermarket and small shops retailers are quite different.

Both of them are necessary for the Indian scenario.

1. Traditional retail store is owned and operated on a small scale, usually 500sq feet or less. This space is available very easily in residential area while supermarket usually contain of 2000sq feet of space which is located only commercial area.
2. Supermarket gets more benefit on economies than small shops.
3. Small or traditional store are operated by owner and the supermarkets are operated by the companies.
4. Traditional shops provide small scale of verity and supermarket provides large scale of verity.
5. Supermarkets prices are normally cheaper than small shops.
6. Traditional retailers provide the facility of free home delivery.
7. Supermarkets spends large amount of money in advertisement.

Literature review.

According to Solgaard and Hansen (2003) price and distance from the store are the main factor for the customer. Customer firstly gives the priority to price. Customers always think about to save money and try to buy product in cheap prices. Distance is also the factor that influence on customers.

Customers generally avoid to long distance shops for small or little things.

According to Powell (2002) customer always gives priority to the quality and the importance of price, distance, range of product and parking comes later. Many studies suggest that location of store, price, verity of food, influence on customer and these objectives attract the customers.

Study in Vietnam revealed the factors that influence on customer when they selecting shopping, supermarket verses traditional store, freshness, price and convenience played important role the decision of consumer.