

# Kotler and Keller essay



**ASSIGN  
BUSTER**

Kotler and Keller (2009, p. 482) define retailing to encompass all activities in selling goods or services to the final consumers for personal or business use irrespective of the type of organization, how the goods are sold or where the goods are sold. The retail sector accounts for a sizable share of the Philippine economy. Patalinghug (2001) claimed that the retail trade sector contributed on the average 10.7 percent of the Gross Domestic Product (GDP) from 1981 to 1999 and employed 4 million mostly female workers in 1998.

Performing the distribution and bulk rearing function, the retail sector serves the population for most of the household requirements. The typical retailers' marketing decisions include target market, product assortment and procurement, pricing, services and store atmosphere, store activities and experiences, communication and location (Kotler ; Keller, 2009, pp. 488-495). The scope of the present study covers aspects of the supermarket which affect retail patronage. Such factors may include satisfiers, which attract the customers to the store, and dissatisfiers, which pose as shopping problems of customers. Thus, two of the retailers' decisions like target market or product procurement are not applicable.

For one thing, the target market decision is made when the store is established, while procurement decisions relate to replenishment of store inventory. The remainder of the retailers' marketing decisions are customer-centric and these influence retail patronage. Such focus on supermarkets is understandable because Filipinos still shop in-store for most of their groceries (AC Nielsen, 2005).

Most urban Filipino households shop for groceries on a regular basis to replenish food, health and beauty products, household maintenance and supply, and so forth (AC Nielsen, 2005). While Filipinos still purchase most food in traditional outlets such as wet markets, neighborhood stalls/provision stores (talipapas and sari-sari stores), and street vendors, the share of supermarkets (or modern trade channels) has increasingly grown through the years (AC Nielsen, 2005). The popularity of supermarkets is manifested in the fact that about 61 percent of the family expenditure among all income classes in Metro Manila could now be purchased at the supermarkets, based on the 2006 Family Income and Expenditure Survey of the National Statistics Office. Lower income households would most likely spend almost all their income on the most basic necessities such as food. The United States and United Kingdom account for 75 percent of global online grocery retailing in 2009 and its volume share is just 1.

5 percent of the global retail grocery market (Bharatbook, 2010). In the Philippines, online grocery retailing is almost negligible and grocery delivery services are very few, e. g. , Rustan's Supermarket. Online marketing in social networking sites is limited to durables (e.

g. , cars, computers) and lifestyle products (cosmetics, apparel, footwear, etc. ). However, a popular non-store distribution channel is direct selling where Morales (2010) claimed that more than half of the P35 billion market for personal care, beauty, health and wellness industry is distributed through the direct selling channel (e. g. Avon, Natasha, Fuller Life, Boardwork, etc.

). In 2005, AC Nielsen estimated that supermarkets accounted for 37 percent of retail sales, with average retail sales of P6. 6 billion every month based on AC Nielsen Retail Audit of 100+ categories. The large supermarkets capture 41 percent of total supermarket sales and AC Nielsen claimed that supermarkets located inside the malls have three times bigger sales than those outside malls. By contrast, sari-sari stores only contribute about 30 percent of retail sales while making up 90 percent of the universe of stores. Most of the supermarkets are located in urbanized areas of the Philippines (AC Nielsen, 2005).

In spite of the claim of Wilson (2005) that shopping has become one of America's biggest cultural obsessions, a few others share a different view. Dickinson (2006) and Aylott and Mitchell (1998) argued that grocery shopping has become a chore and a source of stress in United Kingdom. Americans have increased their shopping by computer, television, mail and telephone to avoid retail shopping difficulties (Morgenson, 1993). Several economic and demographic changes such as fall in real wages, increasing working hours and more women working outside the home have put a strain on family time (Kelly, 1994). Fram and Axelrod (1990) suggested that customers want to spend less time on shopping.

In the United Kingdom, Dickinson (2006) asserted that customers have become impatient shoppers with increasing dissatisfaction being associated with grocery shopping. Most of these shopping problems have been documented in the United States and United Kingdom (Dickinson, 2006; Aylott ; Mitchell, 1998) and the paucity of literature from the developing countries (e. , Yavas, Kaynak ; Borak, 1981; Gutierrez, 2004) on this issue

motivated this study. This descriptive study attempts to respond to three research questions.

First, what are the reasons for supermarket patronage? Second, what are the common problems faced by Filipino shoppers in supermarkets? Finally, do Filipinos encounter similar shopping problems as their counterparts from Western countries? Based on the study's findings, implications for Filipino retailers are identified. Such knowledge of supermarket shopping problems could lead to measures to improve the customer experience, promote more retail patronage, and eventually improve sales and profitability of Filipino retailers. So, the supermarket and grocery stores industry makes up the largest food retail channel in the US. And these establishments are primarily engaged in retailing general lines of food products such as fresh and prepared meats, poultry and seafood, frozen foods, fresh fruits and vegetables and various dairy products.