

The guardian companys retail mix marketing essay



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BUSTER**

Guardian was incorporated and started its pioneering days since 1967. It operated out of a mere 200sq feet outlet in Kuala Lumpur. Ordinarily, its objective was to provide merchandise mainly to the expatriate community, selling health-related products and pharmacy services. Today, Guardian operates a chain of more than 300 stores which serve the needs of health, beauty, personal care of Malaysians nationwide. Meanwhile, the market leadership even shows their utmost dedication to the need of its customers especially women between the ages of 24 and 49. Guardian contains stock of more than 10, 000 products with the widest and best selection of health foods and supplements, pharmaceuticals, vitamins, homecare and cosmetics in its stores throughout Malaysia.

More importantly, Guardian has obtained high rating by its customers in different areas. These significant criteria are low prices, convenience, comfortable condition of stores, nice service, better selection of high quality brands and products as well as the eye-catching, worthwhile and attractive promotions that it organises. This was all shown in its recent Shoppers' Trend Study.

Besides, Guardian is also committed to satisfying its customers' needs in terms of a professional pharmacist team. These professional pharmacists are employed and assigned to the particular stores in order to offer professional advice, opinion and consultation to customers. They are often sent to attend some refresher courses on regular basis to upgrade themselves with most recent information about new drugs, new diseases and viruses to keep them on track. These are all done for the purpose of reassurance the timely and appropriate advice at all times.

Apart from that, charity events and events are also organised at least semi-annually by Guardian to raise funds for worthy causes which would benefit the Cancer Council of Malaysia (MAKNA), the National Stroke Association of Malaysia (NASAM), Pink Ribbon Deeds (PRIDE) and the Malaysian Parkinson's Disease Association. In 2005, Guardian re-launched the senior care program to promote wellness by offering a privilege card that entitles members to discounts on various health supplements and personal care products in recognition of those who have grown up with Guardian and who are now in their 50's.

Guardian has greatly won a variety of customer excellence awards. 21 Guardian stores received Certificate of Excellence 2007/2008 as part of the Retail Service and Courtesy Standards of Excellence Accreditation from the Malaysia Retailers Association. By Malaysian Pharmaceutical Society and UCB, Guardian was also named Pharmacy of the Year in 2000 and 2001. As celebrated its 42nd anniversary last year, Guardian continues to show its superiority in its professional consultations, high quality brands, low prices, conveniently situated stores, wide product range, attractive promotions and cordial customer service that have tremendously contributed to its reputation for health and beauty as what its slogan " the one you trust" purports.

Retailing Environment in Malaysia

Retailing is a subset of the commercial sector which has played its significant role and contributed substantially to Malaysia Gross Domestic Products (GDP). Many Southeast Asian countries face the similar situations that is retailing of various scales co-exist side by side especially small-scale

retailing co-exists with the large-scale retailing in some highly urbanized areas. It was shown by surveys that majority of the shoppers are young single students who would mostly occupy shopping centres nearest to their residence place. Car-parking facility is indispensably needed because a majority of the shoppers travel by car. Meanwhile, shopping trips are also treated as an outing with family or friends and for entertainment apart from purchasing daily necessities. Subsequently, different types of analyses were performed and it was found that the patronage pattern is majorly affected by socio-economic factors, trip factors, the prices and types of merchandise as well as the amenities available and shopping ambience.

Activity

1990 Number

1995 Number

Average Annual Growth Rate 1990-1995 (%)

Department Stores

218

289

5.8

Supermarket & Minimarkets

940

1430

8. 8

Speciality Stores

53, 401

54, 200

0. 3

Convenience Stores

275

326

3. 5

Provision Stores

36, 977

38, 358

0. 7

Pharmacies

305

564

13. 1

Medical Halls

2, 514

2, 243

-2. 3

Direct Sale

766

809

1. 1

Wet Market Stalls

15, 140

29, 787

14. 5

Pavement Shops

286

630

17. 1

Petrol Kiosks

2, 200

2, 358

1. 4

Total

113, 022

130, 994

3. 0

Table 1 Type of Retail Growth from 1990 to 1995

Retailing is continuously subject to various external volatile forces which include customer behaviour, rivalry and competition, legislative framework, technological advancement, changes in societal status and values.

Undoubtedly, modernization and urbanization had impacted the retail landscape by replacing the small-scale and traditional retailing with large shopping centres and hypermarkets due to better shopping, facilities and entertainment that can be provided by the latter.

Key Factors and Trends

1) Slower current value growth for 2009

Retailing achieved a slower current value growth in 2009 than in the previous year as suffering the effects of economic downturn although it is still at a positive pace. A GDP forecast for the year 2009 from a 4% decline to a 5% decline has been revised by Malaysian government which indicates a slower pace than an earlier estimation of 1% contraction because of the <https://assignbuster.com/the-guardian-companys-retail-mix-marketing-essay/>

global economic outlook that is worsening. Subsequently, consumers cut back their discretionary spending as confidence is weakened whereas retailers also reacted by holding longer sales periods and promotions regularly in the hope of stimulating consumers spending. In fact, a low unemployment rate, increasing disposable income and strong tourism industry are fundamental factors behind the forecast growth.

2) Rising unemployment brightens the opportunities for direct selling and E-tailing

The increasing unemployment rate caused by economic downturn is pushing more and more people to scout for various ways to earn secondary or alternative sources of income. Direct selling companies reported a huge increase in their sales force as many people are participating in direct selling as another or additional source of income to support their families. During tough economic downturn, E-tailing is warmly welcomed by many people as they embark their online businesses due to the convenience, ease of access and low start-up costs. E-tailing is becoming popular due to its capability of better savings and easier or clearer price comparison which resulted in the circumstances where online shopping portals also sell comparable products at a more affordable and cheaper price than those bricks and mortar retailers.

3) More chain stores emerge and new development plans enhance potential of retailing

A substantial increase in the number of chain stores in Malaysia was resulted from rapid expansion strategies undertaken by leading chained retailers such as GCH Retail, AEON, Parkson Corp and Victoria House which took place

outside the Klang Valley in order to serve the elevating population and purchasing power in secondary states and East Malaysia. This move highlights the trend of shifting towards the chain store format by retailers, increasingly. More shopping centres are expected to be erected and available in Malaysia in order to serve the rising population and its purchasing power. These developments are foreseen to create different opportunities for current retailers to expand or attract new players to enter the market. Retailers might commence business in Neighbourhood Business District. For instance, further developments in neighbourhood malls such as CITTA in Saujana and Festival City in Setapak are likely to happen. The new shopping centres, however, are expected to be smaller in size and are mostly situated in the suburbs for the prevention of oversupplying or overstored.

4) Retailers promote green consciousness and support bringing own bag

We have reached a tipping point on the environment. Most recently, going green is the most significant issue that will shape our future. Going green is about our kids, our next generations, our families, our lives and will be the potential twenty-first investment. Malaysian government has started to do its part in rescuing our Mother Earth. A program with the title “ No Plastic Bag Day” was initially launched in Selangor on 2nd January 2010 so every Saturday is a plastic bag-free day in Selangor. This program is carried out with the aim to encourage substantial reduction amount on the use of plastic bag across the city. This magnanimous and encouraging act is then followed by Penang state government. Through the implementation of the program, a

message thread is probed to be displayed to public that it is better for the shoppers to make it a habit of using less plastic bags and carrying own bags when shopping. Customers who insist and ask for plastic bags will be charged 10 cent to 20 cent per bag as a penalty. We should be indebted for the initiative taken by Malaysian government as well as the leaders worldwide in the hope to create public awareness on the danger of excessive use of plastic. Hence, every one of us is responsible for reducing or minimising the plastic usage starting from shopping complexes and mostly the shoppers.

SWOT

Strength

Strength is a resource, skill, or other advantage relative to competitors and the needs of the markets a firm serves or expects to serve. Strength of a firm is its distinctive competence, which gives a comparative advantage in the industry.

GSH group is the main organization control behind the Guardian. Besides, GSH group includes member companies such as Giant, Cold-Storage and Guardian. So that, those three companies are linked with each other in running of the business. In deep, Guardian is places inside the hypermarket like Giant hypermarket which is provides store for Guardian. Furthermore, Guardian also places nearly to anchor inside of the hypermarket. Thus Cold-Storage acts as an anchor store which is highly customer density place in the hypermarket, at the same time, more customers go into Guardian. On the other hand, guardian store is widespread in whole Malaysia and it is located

in the high traffic places, this convenience its customers to access to its store to making purchase.

Additionally, Guardian has many product partners in the supplemental of products such as Loreal, Maybelline, Olay, Enchanteur and so on. Product partners can supply goods to Guardian in large amount and lower price. Many types of supplier can increase the product wide and depth in Guardian. Thus variety of product, Guardian became a category killer in retailer industry. Besides, the products arrangement is spread into many small categories. Small category is clearly places of product in every lot in the store and ease for customer to find.

By the way, Guardian designs its store in colourful and attractive. Its signboard is design by blue and white. Thus make the layout of its store looks nice and neat, create a better company's image and increase the customer loyalty. Guardian has its own private label brand on its products. Thus offer private brand merchandise that has unique features or offers better value than competitors. Introduce privilege card for the senior citizen, those senior citizens who purchase Guardian products will get points collection. The higher the point collected by senior citizen, they will get lower price discount from the Guardian.

Moreover, Guardian provides online tips on its website, those healthy tips give advice for the prevention of disease and provide more information and knowledge about the healthy life such as diabetes, oral care, women's wellness and so on. Besides, Guardian also provides pharmacy services to

customers. Pharmacist is responsible to give advice to customers and answer the question asked by customers.

Weakness

Weakness is a limitation or deficiency in resource, skills, or capabilities that seriously impedes a firm's effective performance. A weakness can be strategically important or not, depending on how much it matters in the competitive battle the company is in. As we know, problem and weakness are not easy to be determined. However, it should be determined properly to make correction and improvement in themselves to be success on their own objective. There are several conditions of the Guardian to be concerned. The products offered at the guardian shop are a bit higher than then the normal pharmacy. This factor is contributed to the quality of the product. Guardian retail better quality goods and services as the normal pharmacy provided which could be cheaper but also lower quality. Besides, some of the guardian outlets do not provide pharmaceutical and products introduction service. Some outlets of guardian have the specialist to explain the function of the products and to understand their customers' need. This factor would help to increase their customer loyalty and improve the image of the retailer to public. Unfortunately, there are not every outlet have this kind of specialist. Moreover, the space of the product assortment is narrow and limited. Some outlet is designed in a straitened layout. So, this could cause the customer uncomforted when they are shopping in the guardian shop. Furthermore, the staff of the guardian also could be a weakness for it. Some of staff is not trained well as they are not served every of their customer well. Sometimes, the staff would only stand beside and act like nothing happen when a

customer is outside the shop. This would make the customer feel that it is not familiar to shop with the retailer. Thus, the retailer must provide better and standard training to every staff before they start to serve customers in order to create and improve their customer service standard. Promotion would be a good force to attract customers. As we know, guardian has also made some promotion such as offer the sticker to exchange the Big Head Dolls. But, the promotion made is same at the long period. So, more different and creative promotion should be developed to attract and catch the attention of public. Advertisement is also a good equipment to make communication and inform to public about the latest information of the retailer. As we seen before, the advertisement that being made by guardian is very simple and not attractiveness at view. Therefore, guardian should create a new advertisement way in order to make their name well known in the society.

In conclusion, guardian should determine and analysis their weaknesses and so find some alternative solution to solve the problem that they faced in the aim of achieving the goals and mission of their company.

Opportunity

1. Introduction of new merchandise as a result of rising awareness on health

Since the education level of nation is increasing significantly, Guardian can continue launching the merchandise that is related to health. Guardian benefits itself from the products it offers. Selling the organic product that is designed for enhancing nation's health can be a useful tool for Guardian to implement. For example, a curing enzyme used in small portion to heal a less severe cough may be sold by Guardian as a substitute for cough

medicine and antibiotics. Nowadays, people are highly educated with higher concern and broadened knowledge on body health. People will be more relieved and confident in pursuing the merchandise from such a store that is specialised in health care product like Guardian. By serving the right target market, Guardian is capable of attracting more and more customers by widespread information of educated nation. Therefore, Guardian should mark this point so as to ensure that the merchandise provided will satisfy needs and wants of consumers.

2. E-tailing helps in communication channels

Apart from that, technology advancement is a dynamic force which drives the retailers to dealing with high-tech merchandise. E-tailing is one of the current trends which trigger the development of clicks and mortar approach. E-tailing is an approach that sells the merchandise both online and via physical stores. In other country, this E-tailing has been used to provide, support and facilitate service offered by retailers. Guardian can augment its service with the assistance of technology by providing webcam pharmacy or Tele-pharmacy based on the concept of video conferencing. It provides convenience as it shortens the distance between the customers and pharmacists in stores.

3. Online purchase and contests are potentially popular

Online purchase is one of the popular methods adopted by people in these recent days. In this world with supreme green consciousness, many people would opt for online purchase as it saves the environment with less use of papers as the transactions would involve minimum amount of papers used. With the facilitation of technology, Guardian is able to organise events like “

The Best Advertisement Clip” contest online and demands the customers to vote for the shortlisted clips on Guardian’s website.

4. Broaden its health care service in pets sector

Furthermore, Guardian can diversify its service into the sector of pets.

Nowadays, people not only care about themselves but also pay attention to their pets’ health. It can be seen mostly through the people who have adopted pets. They will buy the health care merchandise for their pets in order to ensure their pets grow healthily. Therefore, Guardian may add in a brand new category especially for pets care.

5. Foot massage service to be provided for people with busy working lifestyle

Since there is a considerable increase in the number of working women in labour force, it is predicted that there would be more and more double-income families emerge in the future. The people will be leading hectic and busy lives who wish to escape from the castle and bustle of life. Hence, Guardian is recommended to offer foot massage service exclusively for those working man and women. This would be another health care category for Guardian if it is implemented.

6. Offer body check-ups and various health-related tests from time to time

In addition, medical health care should be provided without charge especially for senior citizens and youngsters nationwide. For example, simple body check-up for blood pressure, glucose test, weigh test (BMI) and cholesterol test. If those check-up services are provided to the public, it will show to public an impression that Guardian has a good reputation. It can also serves <https://assignbuster.com/the-guardian-companys-retail-mix-marketing-essay/>

as a useful promotion tool to gain customer loyalty and build brand recognition.

7. Delivery service with minimum order

Delivery service might be a potential facilitator for significant growth. People are leading busy lifestyle in future will not be able to shop freely and flexibly. Location may also be a contributable factor for them to shop. So, it is possible for Guardian to provide delivery service to customers' doorstep with an affordable amount of charge especially for those staying in rural areas.

8. Sufficiency of pharmacist in future

Malaysia's pharmaceutical market was growing rapidly in Asia Pacific region. It attracts more and more foreign and local pharmacist register in Malaysia. According to the speech by YB DATO' SRI LIOW TIONG LAI, MINISTER OF HEALTH MALAYSIA in April 2009, the total number of registered pharmacists in Malaysia stands at 6, 648 and the ratio of pharmacists is 1 pharmacist per 4200 population and will continue to increase significantly at the ratio of 1: 2000. In brief, this shows that this was a significant opportunity for Pharmacy retail firm to further providing the better pharmacy service.

Threats

Threats are factors which may cause unfavorable situation to a firm's environment. It was an obstacle or a barrier for a firm to improve and make the retail firm faces a lot of business risks. Therefore retail firms had to make contingency plan to avoid or to prevent or to minimize the risk of threat.

The Major Threats of Guardian retail store are:

Threat of pricing competition.

Most retailers in current market faces difficulties in setting a price for its merchandises since outside of the market was getting a price wars between retailers inter-se.

Besides, there are entry of low-cost competitors exist in the retail market such as local retailer and foreign retailer which may also want to grab a profit in this market segment. It shows that it is more difficult to survive in the market by setting such low price to compete in the market.

Furthermore, newly government policies enforce the retailers for a tax and it charge to merchandises and services which in the definition of ' goods and services' it is unfavorable for a consumer who want a cheaper price. Thus, it is more competent for the retailers.

Moreover, negotiations between suppliers become more concerned by all retailers. Retailers would like to take more bulk unit of merchandise if the suppliers can offer lower markup merchandise. It is depending on the bargaining power between retailer and suppliers whether who have the bargaining chip. If the suppliers had the bargaining chip, the retailer will suffer more in competitive environment.

In brief, low cost competition can be an opportunity for a retail to attract its prospect customers but it will also create threat of insolvency which may make the retail firms difficult to compete or suffering loss in long run.

Threat of existence of entry chain.

Today, many retail firms growth larger and strong, it expand its businesses, its distribution channel and chain-stores. Large competitor for Guardian was Watson which is established in Malaysia 1994 which was the main competitor in whole Malaysia. For the information, Watsons operates 216 stores in Malaysia and it served more than 50, 000 customers per day.

Besides that there are a lot of other local and foreign retail pharmacies chain was set up in Malaysia such as, Apex Pharmacy International, Malaysia, Mega Kulim Pharmacy Sdn Bhd, and Caring Pharmacy and so on. It shows that the threat of competition among retail competitors.

Company's Retail Mix

Merchandise

Retailers need to decide on the merchandise to offer by engaging in the sorting process of assembling a proper range of goods and services from a variety of suppliers. Different types of goods include National brands product, Own-brands/private labels products, licensed merchandise products and Franchise products via concessions in a store. Guardian provides many varieties of products which include national goods, foreign goods and also its private labels products. Guardian has been highly rated by its customers as it is convenient for them with the offer of better selection of high quality brands products and good service. Since Guardian has its own private labels products, it helps to provide better value perception which by association enhances the store image and build loyalty to their customers. Besides, quality improvement of its own private label products might lead to the

belief of customers that they are equal or may be better than the manufacturers' brands.

Price

Price refers to the value of the customers willing to pay in exchange for the benefits of the products and channel service. Guardian is offering lower price on its private label products which have the equal quality of the manufacturers'. Guardian charges all customers the same price for an item by implementing one-price policy. The practice of odd pricing which is the setting of retail prices that end in the digits 5, 8, 9 is also adopted by Guardian especially in promotion period. Moreover, multiple-unit pricing and bundling policy are implemented for promotion purpose once in a while. Guardian would provide discounts to their customers by adjusting the price from time to time.

Advertising and promotion

The advertising and promotion is the adoption of various means by which the retail offer is communicated to the target groups in order to inform and persuade different segments of the benefits of utilising a specific retailer's outlet or to make a purchase. Brochure is one of the promotional methods used by Guardian. The brochure helps the retailer to inform and transmit the latest information of the goods and service provided by the retailer. The information may include the promotion provided, valuable price offered and the details of the product provided. Moreover, Guardian is also using its webpage to the function of communication to its customers. Webpage could make the consumer to be convenient as they can search for the information they need by login into the webpage before they purchase. Furthermore,

Guardian uses the promotion of redemption to get adorable and memorable dolls by collecting the stickers. Customers will get a sticker if they buy the retailed products for RM 15. 00 and above in a single receipt. Purchase with purchase strategy is also used by Guardian. With the adoption of these promotions, Guardian could grab the attention of customers and subsequently attract the customers to buy things from them.

Customer Service and Selling Technique

In the retail market, customer service is one of the important issues which provide a differential advantage from its competitors. Customer service includes the activities the retailer performs that influence the ease with which a potential customer can shop or learn about the store's offering, the ease with which a transaction can be completed once the customer attempts to make a purchase and the customer's satisfaction with the purchase. In fact, Guardian business not merely targets on daily use product but also focuses in the selling of the pharmacies products. In addition, Guardian engaged well in providing service to their customers such as the professional consultancy from its pharmacists. The pharmacist is responsible for giving exclusive advice, especially in medical products. Besides, to make sure every resident in Malaysia having a healthy life style, Guardian had introduced the healthy tips through its own brochure or internet in conjunction with Guardian's aim to build a healthy concept to be into inculcated on mind of every resident.

Location

Location is the geographic area from which a retailer, or group of retailers, or community draws its customers. Guardian shops are mostly located in the <https://assignbuster.com/the-guardian-companys-retail-mix-marketing-essay/>

shopping centre and hypermarkets such as Giant, Queensbay and Gurney. It would become a gravity point to attract people from smaller rural communities to go out-shopping to large urbanized area according to Reilly's Law of Retail Gravitation. Parking facilities become a must for shopping centre and hypermarkets as many residents prefer driving to other kind of transport. Besides, some of the Guardian shops are also located in the places with high demand density such as Tanjung Bungah and Air Hitam. The residents in high demand density area will be willing to buy since it is convenient and they have higher demand and purchasing power.

Store Layout and Design

The store layout of guardian is the standard stock list which is a merchandising method in which all stores in a retail chain stock the same merchandise. Guardian sells the same merchandise with those categories which include the baby care, beauty accessories, confectionery, dental care, foot care, hair care, home, ladies and man toiletries, sanitary needs, stockings, travel needs and personal care and much more. Guardian's store layout for all the stores within Malaysia is approximately the same. The design pattern is normally influenced by the size of the store. Guardian uses the same type of colour in designing the stores at all the other stores. In addition, Guardian's employees are provided the same set of uniform for their working employee.

Conclusion: