

Preferences for shopping in superstore marketing essay



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The retail and wholesale sector in Pakistan has registered 96 growth rate since 2005 and accounts for over 25 of the GDP.

Traditionally, retailing business in Pakistan was considered a small scale business and was mainly meant for small entrepreneurs. Although, utility stores have been functioning since the time of independence; big retailers like supermarkets and departmental stores were rare in Pakistan until late sixties but then a supermarket chain known as COOP stores was introduced in the Capital city of Pakistan, Islamabad. This was an initiating step towards the trend of supermarkets. Recently; Makro, a German retail giant, has also entered into Karachi market and others are in process.

In Pakistan, the retailing in the rural areas follows the traditional ' Hutti' system which provides necessary items like cooking oil, grocery and other essential items to the villagers. While, in urban areas, many types of retail outlets exist. The introduction of planned markets in Islamabad, the capital of Pakistan, gave a new dimension to the scope of modern retailing in Pakistan. Following this development, in almost all other cities of Pakistan, opportunities were presented to potential entrepreneurs to engage in such a business. The first ever supermarket in Pakistan was opened in 1968 in Karachi but within the last 27 years, quite a few of such markets have sprung up, for example: Naheed's, Imtiaz etc. On an international scale, these are more like mini super markets but within the Sindh region these are full-fledged supermarkets with an extensive product mix. Even food items like fresh and clean cut meat, fresh fruits, are available with most of them.[2]

Some forms of retail outlets are:

Small retailers

Large retailers/ wholesale retail stores

Department stores

Super markets

Utility stores

Cooperative stores

Medical & general stores

Specialty stores

Friday and Sunday Bazaars

However, Pakistan's economy is yet in its infancy when compared to the global retail giants like Walmart. There are huge benefits of retailing for the consumer, starting from assured quality of products to the competitiveness of prices.

Despite the low purchasing power of the majority of Pakistani consumers, trend towards doing grocery from such super markets is increasing, the reasons being not only availability, lower prices and bulk quantity but also a status symbol.

Literature Review:

According to Agri-Food; Past, Present & Future Report of Pakistan, in August 2005 prepared by government of Canada: Supermarkets are increasing in

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popularity and currently account for 10% of retail food sales. Modern retail formats, notably supermarkets/hypermarkets and convenience stores, are expanding across Pakistan and giving rural and urban consumers access to a considerably wider selection of goods and services. Also factors like continued migration of rural consumers to urban areas in search of work and an improved standard of living and the number of Pakistanis returning to the country having worked abroad will also fuel growth of urbanization. These factors will be underpinned by the increased penetration of supermarkets and hypermarkets in urban Pakistan, which will be able to offer consumers a wide range of modern, convenient products at highly competitive prices. Throughout the country consumers will continue to demand basic household care products they know to be effective, demonstrating little interest in the short to medium term in highly advanced and expensive products or formats.

Problem:

There is an ever increasing trend of going to super markets for doing grocery or just regular shopping for the items in need, in Pakistan. Some people who come from rural areas also go to such markets for mere enjoyment and the satisfaction that they have ' been there'. Our main purpose of conducting this study is to know the shopping trends and patterns at super markets and why people prefer to go at super stores rather than local stores. The purpose of the research is to find out various reasons for people's preference to shop in supermarkets rather than small retail shops.

Problem Statement:

The purpose of this study is to find the answer to the main problem:
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“ Reasons for the increased trend of shopping from big supermarkets, in Karachi.”

Sub Problems:

Moreover, this study also attempts to ascertain the answers for the following sub problems:

1. What are the key factors that stimulate a customer preference to buy from a particular supermarket?
2. What is the effect of customers' socio economic classes on their buying behavior at big super markets?
3. What are the reasons for increasing number of supermarkets in cities like Karachi and consumer response towards these supermarkets?

Objectives:

The objective of this report is to analyze the extent of consumer preference for superstores.

To determine which reason dominates or stands out the most for consumer's preference for superstores

To determine what other services can be added in supermarkets which consumers would prefer.

To unearth suggestions and find out the future of supermarkets in Karachi.

Hypothesis:

For the purpose of this study, the following hypotheses have been formulated:

There is a bright future of super markets in Pakistan.

Shopping at super market depends on the level on income and some people think that they save when they shop from such markets.

There is a huge change in trend of shopping and people are willing to go to super market even if it is not near their home.

Shopping at supermarkets like Naheed's and hyper star is fast becoming a status symbol.

Scope and Limitations

Although, there are many big super markets in Pakistan but this proposal is confined only to the area of Karachi and is based on only the following super markets operating in the city i. e. Naheed Supermarket, Imtiaz Supermarket and makro supermarket, that trade in fast moving consumer goods and household items.

There are certain factors, which limit the research on the above mentioned topic like

Response from customers.

Response from owners of super markets to disclose their private information.

Time factor.

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Cost

Variables:

Convenience

Price

Variety, availability under one roof and quality

Customer service and environment

Definition Of Key Terms:

Hutti system: Small shops that provide the villagers necessary products for their everyday use.

Small Retailers: These are an upgraded version of hutties found in the rural areas of the country and serve the same purpose.

Super Markets: A supermarket is a departmentalized store containing a wide array of products for different purposes ranging from electronics to vegetables.

Research Design

The initial research would be conducted in terms of secondary research where online articles and magazines would be studied in order to analyze the increased trend of Super markets and why people prefer to go to super markets.

Next step in the research process is to getting people to fill out questionnaires; so that we have an idea about the general opinion of

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different people and what do they have to say about the increasing trends of Supermarkets. Answers from the questionnaires would also help to gain their suggestions about the current scenario of supermarkets and what do they expect from them in the future. This will also provide us with a conclusion highlighting various factors as to why people prefer going to supermarkets over retail stores.

Population, sample and sampling method

I have taken into account the present customers of these super markets especially concentrating on house wives who are regular visitors.

Data collection Methodology:

For my research, I will collect primary as well as secondary data. Primary data will be collected through questionnaires and discussions conducted from the customers and owners of these stores respectively. Whereas for the secondary data would be taken from the internet and some other published materials like newspapers, magazines, journals, reports etc

The instruments used in gathering the data are:

Silent observation done on site about their strategies and customers' behaviors

Questionnaires that were filled by the customers of these markets.

Magazines and internet

Data Analysis

In order to analyze the collected data, I will use softwares such as R-commander and SPSS that will help me interpret the data in a useful way.

Timeline to completion

This research may take upto a period of 5-6 months for completion. One month would be required to reach an appropriate sample of people from the mentioned supermarkets and initiate the filling up of questionnaires. Rest of the time would be needed to effectively carry out the data analysis, interpretation and writing of the research report.

Conclusion

The report will provide an insight as to why customers prefer to shop from big super markets in comparison to smaller ones. This study will also indicate the factors that work behind this preference and how and to what extent their likes, dislikes, interests, tastes, preferences, behavior and satisfaction are influenced by it. The basis of this report is to identify the shopping trends at super market and how the services provided by these supermarkets can be improved.

References

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