

Marketing strategies of retail stores

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Based on this assumption this study was inducted to identify the differences in the grocery shop owners' marketing strategy due to the differences in locations or residential areas. For the study grocery shop owners of different locations of Dacha City were considered. Based on the different income group people's dwelling area the locations were selected. The locations I. E. Goulash/Bonsai/Braider and Diamonds/Mohammad were considered as higher income group people's living area. On the other hand Mailbags/Monogram and Old Dacha were considered for middle and lower-middle income group people.

The study found that keeping branded products, credit sells, promotion, building customer relations, etc. do not vary due to the differences in location. It is also found that the way of expressing the quality to customers. Measurement of quality, price fixation, etc. differ due to the variations in locations. GUMBO-A Classification: JELL Code: G14J14 Marketing Strategies of Retail Stores An Evaluation of Grocery Shops of Dacha City Strictly as per the compliance and regulations of: 2011 . S. S. M sadder Had, Muhammad sprayer, Omar Fraud.

TLS IS a research/ review paper, distributed under the terms of the Creative Commons Attribution- Noncommercial 3.0 unproved License <http://creationism's.Org/licenses/by-NC/.01>), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited. Abstract - The marketing strategy and behaviors of the retailers vary due to the differences in locations. There is a general assumption that people of different income levels live in different areas.

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Based on this assumption this study was conducted to identify the differences in the grocery shop owners' marketing strategy due to the differences in locations or residential areas. Different locations of Dacha City were considered. Based on the different income group people's dwelling area the actions were selected. The Goulash/Bonsai/Braider and Diamonds/Mohammad were considered as higher income group people's living area. On the other hand Mailbags/Monogram and Old Dacha were considered for middle and lower-middle income group people.

The study found that keeping branded products, credit sells, promotion, building customer relations, etc. do not vary due to the differences in location. It is also found that the way of expressing the quality to customers, measurement of quality, price fixation, etc. differ due to the variations in locations. Introduction rockery shops meet the everyday requirement of the common people on a day-to-day basis. The product mix of the grocery shops depends on the socioeconomic profile of the customers. The homogeneity of customer group asks for a homogeneous group of products.

The diversity in socioeconomic background of the customer groups makes the tasks challenging for the grocers, as they are required to meet varying demand of the heterogeneous customer groups. The marketing strategy I. E. Product, price, place, promotion is a function of the socioeconomic profile of the customers. The present article assumes that Dacha city has heterogeneous groups of customers living in different parts of the city. The general objective of the article is to see how the marketing strategies of the

grocery shops located in the different parts of the city varied from one location to other location.

This research has divided the Dacha city into four locations assuming that the people living in those locations have distinctive socioeconomic profile. Bangladesh E-mail:Deed Author Q : Assistant Professor , East West University. Author : Assistant Professor , East West University. The locations on the considerations are Diamonds/Mohammad, Mailbags/Monogram, Old Dacha, Goulash/Bonsai/Braider. Out of these four actions Goulash/Bonsai/Braider area is considered as the pouch area of the city and is famous for expensive consumptions.

The another area under consideration Diamonds/Mohammad is composed of higher income and higher educated group. The Mailbags/Monogram area is considered as educated upper-middle income group. And the Old Dacha area consists of lower-middle income group with mixed educational background with distinctive cultural orientation. Considering the variation in customer demography the local grocers are expected to develop and execute location specific marketing strategies. Literature Review

The objective of this paper is to identify how marketing strategies for a grocery shop (mainly those are related to product quality, building customer relation, choosing location, price, promotion, place) differ from one location to another location at most of the part in Dacha city. Many factors affect the store patronage decision like location, service levels, pricing policies, store environment and store image. At the same time, location also brings so

many effects on all marketing strategies in business. A grocery store is a store established primarily for the retailing of food.

A grocer, the owner of a grocery store, stocks different kinds of foods from assorted places and cultures, and sells them to customers. Large grocery stores that stock products other than food, such as clothing or household items, are called supermarkets. Small grocery stores that mainly sell fruits and vegetables are known as produce markets (U. S) or greengrocers (Britain), and small grocery stores that known as convenience stores or delicatessens. '... Grocery store outlet types included local store, discounter, supermarket, hypermarket and department store... ' (Hartman et al. , 1990).

Grocery or Retail location theory can be said to rest on four broad theoretical approaches, namely: central place theory; spatial interaction theory; land value theory; the principle of minimum differentiation. 2011 Global Journals Inc. (US) 81 Volume XSL Issue VII Version I S. S. M Sadder Had , Muhammad Sprayer Q, Omar Fraud July 2011 Marketing Strategies of Retail Stores: An Evaluation of Grocery Shops Of Dacha City Marketing Strategies of Retail Stores : An Evaluation of Grocery Shops Of Dacha City 82 Central place theory was first formulated by Charitable[5] and subsequently developed by Loach[12], and is described by Craig et al. 13] as " the best developed normative theory of retail location". Central place theory is predicated upon static, equilibrium-seeking assumptions which have become increasingly divorced from today's highly dynamic on the hypothesis that consumers trade off the attractiveness of alternative shopping areas against the deterrent effect of distance. This offers an alternative normative model to

explain behavioral interaction.. Land value theory proposes that the location of different activities (retailing formats) will depend on competitive bidding for specific sites.

Lastly, the principle of minimum differentiation originates from Harold Whittlings[3] classic paper " stability in competition". The principle suggests, in a retailing context, that a given number of stores operating within the same market sector will achieve superior performance if they are clustered together. Now come to the store dimensions which are relevant for grocery store choice of customers may now be investigated. Grocery industry is strongly driven by price competitiveness (Taylor, 2003).

Pricing is a dimension that can be identified from the perspective of the customer as well as that of the retailer/manufacturer (Sparkman, AAA, p. 294). Price defines a firm's competitive position in the market and consumers use price to evaluate quality of a brand or retailer (Dolan and Simon, 1996; Gabon and Granger, 1966). Usually, retail pricing strategies are described as either an every day low price (EDLP) or high low strategy (Allahabad).

Bolton and Shank (2003) propose, however, that grocery retailer's pricing strategies and tactics may be more diverse and complex, including decisions on the depth, frequency, and duration of deals, feature advertising, and displays for myriad brands and categories. They found that retailer pricing and promotion strategies are based on combinations of four underlying dimensions: Relative price, Price variation, Deal intensity, and Deal support

(Bolton and Shank, 2003). Secondly, "Credit Sell" is a predictor of the selection of grocery shop's location.

Product selection, assortment and courtesy of personnel are also very important in determining format choice and cleanliness is the most important attribute regardless of the format of grocery store (Carpenter and Moore, 2006; Teller et al. , 2006). In terms of many residents of small rural communities work in larger cities and towns and are able to shop at more convenient hours (Marianne, 1993; Coffman et al. , 1977). Larger centers also offer a wider perception that larger communities provide cheaper products and services (Lists and Hawkins, 1974).

Moreover, Sings and Powell (2002) found that grocery shoppers consider quality to be most important, 0 2011 Global Journals Inc. (US) followed by price, locality, range of products and parking. Fox et al. (2004) found that shopping and spending vary much more across than within formats, and expenditures respond more to varying levels of assortment and promotion than price, although price sensitivity was most evident at grocers. Chinese supermarket shoppers found store location, price and reduce variety as the most important store attributes influencing satisfaction (McDonald, 1991).

In an investigation of consumer shopping destination choice behavior for convenience goods shopping trips in Taiwan, spatial separation distance best explained respondents' shopping destination choice behavior, followed by store selection criteria (Yang, 2006). In terms of Grocery sales and consumer behavior, Engel, Koalas, and Blackwell model of consumer behavior, expanded by Engel et al. (1993), examined store patronage variables to

obtain an explanation of store choice (Figure 2). Salient variables were organized into evaluative criteria and perceived store characteristics. Evaluative criteria, I. . Variables that could be quantitatively recorded, included store location (distance), assortment breadth and depth, price, advertising, sales and promotion, store personnel, and services. Matthews (1992) suggests that the rural poor have limited access to supermarkets and lower priced food products. Yet little is known about how geographic and store patronage factors affect their grocery shopping practices. Two studies that examined behavioral segmentation, as applied to grocery shopping, have yielded salient findings that should be examined in the context of the present study.

The first study (Hartman et al. , 1990) employed a hierarchical cluster to examine demographic and socioeconomic variables, such as age of head of household, number of working adults in the household and number of years at the current address, in order to segment grocery consumers. The analysis yielded three families, and the elderly. A multinomial logit model was used to analyse store patronage patterns within and across market segments. Distance and low price were found to be key predictors of grocery store patronage.

In the second study, Marianne (1995) employed actor analysis ratings to identify six choice orientation factors: recreation, quality and selection, accessibility, atmosphere, price consciousness, and family shopping. Grocery store outlet types included local store, store. NOVA was used to identify significant differences between store groups regarding store patronage

factors and demographic variables. Regression analysis determined that family shopping, price consciousness and distance predicted grocery shopping destination choice.

Finally from many previous researches it may be deduced that the dimensions that are relevant for Research Objectives The primary objective of this study is to observe the marketing strategy and behaviors of the grocers of different locations. The study tries to identify the differences in various marketing strategies due to the differences in location of the grocery shops. Thus the study tries to explore whether the shops keep the branded products, sell on credit, how they fix prices, measure quality, build customer relationships, etc.

Research Methodology It is the nature of the research problem that should dictate the appropriate research method; sometimes quantification is required, sometimes not (Cockroach and Hughes, 1992). Questionnaires offer a method of conducting a survey where all respondents are asked exactly the same questions in the same circumstance. To support this method, Easterly-Smith, Thorpe and Lowe (1999: 72) noted, " If researchers wish to obtain answers to a number of fairly simple questions this research, questionnaire survey was conducted to identify the marketing strategies of the grocery shops situated at different locations.

Structured questionnaire were formulated in order to identify the different marketing strategies. Hypotheses were formulated on the basis of core variables and conclusive research was applied to prove the hypothesis. Total of 70 grocers of Dacha city were surveyed. Among these 70 respondents, 26

respondents have grocery shops in Diamonds/Mohammad location, 24 have in Mailbags/Monogram location, 11 have grocery shops in the Old Dacha location, and 9 are from Goulash/Bonsai/Braider area. The sampling technique was random sampling method.

Finally, the study considered both quantitative and qualitative analyses. The statistical package used to conduct the various analyses is the SPAS, which is one of the most commonly used packages for quantitative research methods for data analysis (Barman and Cramer, 1994). Results and Discussions Based on the quantitative data that is questionnaire survey following are the findings on the grocers' marketing strategies based on the location. Key Characteristics Ownership Structure Among 70 grocers, 63 have sole proprietorship and rest of the 7 have partnership in business ownership.

II. Distribution Channel Only 1. 4% owners of the grocery shops have their own distribution channel. Around 98. 6% owners do not have their own distribution channel. III. Preference of Branded Products Among 70 grocers 88. 6% prefer for keeping branded products in their shops and only 11. 4% do not refer branded products. All the 70 grocers of the grocery shops keep need based products in their shops. V. Extra Storage Facilities All the grocers do not have the extra storage facilities. Among 70 grocers, 45. 7% have extra storage facilities and rests 54. % do not have any extra storage facilities. Control over Price in All Products Most of the grocers, around 74. 3% do not have control over price in all products. Only 25. 7% have the control over the pricing of the products. VI'. Understanding Customer

Satisfaction The grocers understand customer satisfaction through several ways. Among 70 grocers, 31. % understand from the behavior of the customers, 25% from getting good quality products, 8. 9% from large amount of sale, 27. 1% from repeat purchase, and 7. 8% from good brand or company. VIII.

Delivering Higher Customer Value The grocers also try to provide higher customer value in various ways. Around 31. 5% deliver the higher customer value with behavior to customers, 23. 4% by selling good quality of products, 6. 5% by large amount of sale, 18. 5% by repeat sales, and 20. 1% by providing good band or company.

Considerations for Maintaining the Business To maintain the business for higher value chain management the grocers emphasize on different elements of the value chain. Among 70 grocers, 14. 7% consider the infrastructure of the shop, 17. 8% consider the sales persons, only 0. % considers the technology management, 18. 4% consider procurement, 12. 9% 0 2011 Global journals Inc. (US) a) grocery store choice are: price-consciousness, assortment, behavior of the store personnel, cleanliness, quality, deals/specials/promotions, ease of shopping, time/day of shopping, no of outlets visited, location/distance, home order/delivery, shopping list/unplanned, recreational/time spent at store, frequent rye schemes, payment/credit facility, shopping companions, in-store specialty, store signage/ambiance, parking, expenditure/no of times shopping, apathy/stress, refund/exchange.