

Spencers stand apart



It is the services and the idea that need to make Spencers stand apart. The service is (sorting, cleaning, packaging, delivery etc). The idea is (saving time, effort & money) To bring in value on every product the retailer may have to bring in TQM. Through Total Quality Management it can be ensured that there will be consistency in the quality of the product. The problem with most retailers is that they think all the customers are alike and offer products that will satisfy all. In this process, one loses sight of the idea of the customer as a unique individual and the focus shifts to an omnipotent product.

Some simple steps can implement more value-added services on every product. Say, Spencers can have its store- personnel to give details about the product to the customers. A demo of an electronic good or say the recipe for a dish using paneer or some vegetable. A music launch with the musicians or some special seminars by renowned chefs. Tips by the store- personnel about which apparel suits the person or which polish on a furniture may go well with a customer's house can all go a long way in adding value to every product.

Possible Forward Integration can also result in providing better value. When Spencers starts demanding like its customer or behaves like its customer by stressing on quality and affordability, it automatically adds some new loyal customers. Forward Integration also goes a long way in predicting the customer-preferences and buying patterns. This will also force the manufacturer to change his method of manufacturing. Since an OCR has collective strength and huge chunk of volumes at stake, the manufacturer will have no other option but to make the change.

A problem with so much of variety in every section can be very risky because there may always be some products that sell like "hot-cakes" and there will always be "me-too" products. This makes Spencers spend unnecessary money on buying the slow-moving product. As a remedy for this, Space-Loan format can be used. This format basically rents a certain amount of space within the store to a manufacturer for exhibiting his product. Spencers will provide its salesperson but the money would go straight to the firm with a commission to Spencers.

By doing this, the manufacturer can provide more value on his products also. It may also be a way for the manufacturer to understand customer wants ; preferences. Through Value Chain Management, unnecessary participants in the chain will be regulated and improved. This will also cut the costs on accessory expenditures. VCM will bring in efficiency in every step of the chain. This is just to say that cost-effectiveness is an in-built feature of VCM. This means that the price of commodities can be maintained at an affordable level.

But the advantage for Spencers is that if the consumer gets a perception that the product is high value and better than what he gets at the other OCRs, he wont mind paying a slight premium for it. This is because of the perception that high-priced goods are superior. This will automatically increase the margins on every product. This is also a long-term strategy and needs lots of changes in the supply chain to offer more value. Also sufficient infrastructure needs to be put in place before it is initiated.

The ads would be placed in the Sunday newspaper because usually this is the issue that is discussed by everyone in the family. The usual habit in a Sunday newspaper is looking at the first page as it carries a special feature. Hence the ad would be placed in the first page of newspapers like Times of India, Hindustan times, The Hindu which have nationwide circulation and higher readership. As far as the Hindi Newspapers go which have a circulation almost twice that of English newspapers. The Hindi newspapers which would carry the ads would be Dainik Jagran ; Dainik Bhaskar.

These two together have more than 75% of the marketshare. On weekdays, city supplements could carry B ; W ads about the freebies on that day.

Television- the TVCs would be beamed on primetime slots. The channels would be the ones that are most watched. In the news channels, the ads would be on NDTV 24X7, CNBC TV18, Aaj Tak, these have the highest viewership. In the entertainment channels it would make commercial sense to screen the ads on Sony, Star plus and Star One. The time slot would be between 8: 30 PM -11: 30 PM, when both professionals as well as house wives.

The viewership is at a high at this time. Radio- jingles in Mirchi ; City because of their wider presence and higher audience. The time slot should be between 7-11 in morning and 5-9 in the evening when the listenership is at a high. Outdoor- this will be a hoarding or billboard campaign with the USP being conveyed point blank. Direct marketing- this would involve mailing order catalogues and mass phoning and make them aware of the firm and make them visit the store. We could also have the store personnel trained in PR this could assist the customer and tell him about the merits of the brand.

We could also have MPR, Marketing PR would involve us to get in agreements with other corporates to give their customers and employees coupons for redeeming at the store. This could ensure footfalls as well as sales. Sales promotion- this could mean penetrating pricing or by-product pricing. This could be the freebie at the store. It could also be the HAPPY HOURS at the store for ensured gifts. PR- this requires newsletters for loyalists briefing them about new products and newer benefits at the store. There could also be selective NEWS placement.

This would involve placing articles about the achievements of the store and its benefits. CSR will also act as an image makeover when customers will perceive the brand as being socially responsible. POP- Point Of Purchase. This is a revolutionary idea in marketing and basically stresses on IN STORE MARKETING. Through agreements with manufacturers, there would be an effort to influence buying decisions. As a part of POP, a unique concept called Spencers TV would be launched. This is basically TV screen suspended from the ceiling of the store. These would have tailor-made commercials.

This is an untapped source of revenue. The manufacturer will have to pay Spencers to promote their products. This has proven to influence buying patterns. As per studies, 70% of the buying decisions are made in-store. Seeing a commercial and seeing the product in front of you is bound to make you buy it. This wraps up IMC. TARGET MARKET PROFILE Spencers is present in both the metros as well as the semi-urban areas. Now with the new operations' blueprint, there is going to be rapid expansion. A city like Mumbai will possibly be having about 4 branches.

Because of its Hypermarket format, Spencers is popular with both the classes as well as the masses. The existing tagline " mega value, mega khushi" has universal appeal. An ideal location for a Spencers store is near a residential area near to a main road and accessible through all transport modes. Being located in the vicinity of a Multiplex is a boon because people usually drop-in to the store on their way back home after catching up with a movie. It is like a package where the movie and shopping are a must. People in the age group of say 20- 70 are the target of their schemes.

Since most people earn at an age of 20 or are independent enough to make buying decisions, they are the lower limit. Since by the age of 70 people are not energetic enough to walk around 120000 sq. ft. Of the store pushing the trolley, they constitute the upper limit. But having said that the store personnel are courteous enough to help the senior citizens. However most of the schemes concentrate on the young urban professionals say between the age group of 26 and 55. Young upwardly mobile professionals are whom the store is predominantly depended on to clock the numbers.

Another important point that needs to be added is that other than the B2C (business to customer), B2B is also observed. (Business to business) is predominant at Spencers where other retailers buy huge volumes to be sold by them. Wholesalers, retailers & professionals constitute a major chunk of the regulars. Spencers as of now is present at In Orbit Mall in Malad. This is the new residential hub with loads of luxury apartments in its vicinity. This area is also the heartland of the BPO sector. The time constraint for these professionals makes Spencers an ideal choice.

This is also the case with their Hyderabad outlet. What this means is that Spencers is usually located near a residential area with a commercial complex nearby from where the professionals can pick up products on their way back.

BRAND POSITIONING STATEMENT The brand positioning statement is basically used to create an image in the market that the customer can identify with. There is always an option to reposition a brand but in Spencers case, the way they positioned the brand, the intention seems perfect. Its only that they haven't been able to put it across well.

A brand positioning exercise will result in higher brand recall. Spencers stands for value, convenience and affordability and this needs to be conveyed through the positioning statement.

Statement A We have decided to position it as " ONE STOP VALUE. " This is to convey to the public that it is a one-stop solution for all their needs. The fact that it is a Hypermarket with everything and anything is evident from this statement. The value aspect is also highlighted conveying that the products are of a superior quality.

This again strengthens our second alternative strategy in which we intend to make Spencers a shoppers paradise. By saying value, we are implying that VCM ; TQM have taken our product to a different level. This statement subtly hints product differentiation and product segmentation. This basically aims at the urban audience by highlighting the convenience and higher value per product.

Statement B " DEAL BADA ZABARDAST HAI" is the second way in which the brand would be positioned. This statement is basically in Hinglish that would make it connect instantly in both the urban and semi-urban areas.

It would also connect with both the youth as well as the aged. This is basically to put across the fact that products at Spencers are low-priced. This statement again strengthens our first alternative strategy where through SCM, we were able to bring down costs on the inventory. This also conveys that there is no compromise on the quality front. Both of the above are a must for the Indian customer and this is its stickiness factor. Unlike other statements this one is filled with zest and enthusiasm. This will also convey to the customer that shopping with us is not a boring affair but a spirited one.