IMPACT OF MARKETING MIX STRATEGIES TO RE-LAUNCH SICK SUPERMARKETS WITH NEW BUSINESS MODELS IN RURAL AREAS

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ABSTRACT: The Indian supermarkets have added new spicy and customer friendly shopping experience to Indian middle class and higher class of our society. But these supermarkets have been developed in the same style, pattern and models that are available in other Western countries, developed Middle East countries like Dubai, Abu-Dubai, Muscat, etc. and developed Eastern states passionately called as Eastern dragons like Singapore, Malaysia, Korea and Thailand. This might have been the reason for these malls not able to penetrate deep into the psyche of Indians as their retail store for the majority of the Indian population. The Indian economy is booming compared to other Western developed states like UK and US, which are on economic red alert and are only in the process of recovering from economic downturn. India with its strong government controlled state banking sector, strict lending rules and transparency in financial and stock exchange transactions, RBI rules and regulations and Indian people’s saving attitude has brought India back on smoother roads of economic growth in these bad times of world economy. Now the foreign direct investment will also be through to bring newer and newer players in Indian retail sector and add more competition and confusion already existing in the minds of top level of Indian malls. So the research question is which marketing strategies are required for supermarkets in India for operational efficiency and making better profits. The researcher has made a pilot survey with his research team and found some of the reasons why most of the Indians have yet to visit the malls and give the bigger volumes of sales to make them operationally viable and so that they can serve better and best services and happy shopping experiences at very reasonable prices to Indian masses. This pilot survey has helped the researcher to define the objectives and hypothesis of this four year long research to find how to make the malls in India look Indian, like consumer should feel it is his home with Indian names with Indian style, Indian culture, Indian attires, Indian foods, Indian hospitality and create a Indian winning “brand” of retail sector and is the primary research question. The pilot survey revealed that the malls in India need to use "Market development" grand strategy to capture newer market base. There are three aspects of “Market Mix Development” strategy. They are A) Making present customer repeatedly come B) To capture competitor’s customers and C) To tap non-user segment. d) Introducing Franchise format for small Kirana’s or Stores next to Door Steps of Customers New Business Model such as “Live and Let Live.” The researcher wants to find how the market development strategy could be adopted and implemented to bring more customers to this supermarkets to make it more popular and increase customer base, as there is vast majority of Indian society (Waiting outside whether to enter the mall or not there to shopping only with their traditional retail base of Kirana shops/road end corner shops/Janata Bazaars, etc.), which is yet to come to malls first time and do shopping. The research question leads to bigger research - quest begins with identifying correctly the non-user market segment and how to entice them to shop with. Basically, the lower middle class and economically lower section of society has to yet to walk into malls for first purchase and make a habit to come again and again is one of serious point of discussion and research and how this could be made to happen in reality is the question and which will change the total scenario of malls in India.


INTRODUCTION TO RESEARCH: The research as the name of the thesis suggests that the research is to find the marketing strategies to re-launching “Supermarkets” with new re-positioning its new products ranges, which is more suiting to rural customers in Indian market as new product and service acceptable to all the masses in India, so that the “Supermarket” would change its style, culture, brand to suite and station itself as our own, rather than a modified version of Western cultured and styled retail outlet.

The research needs to find whether “Supermarkets” needs changes and if required what types of overall changes are required to become Indian and one with Indian customer base and become operationally viable and profitable.

The pilot study has made how the market development strategy to capture and tap non-user market segment to widen their market base to entice the lower middle classes, poorer section of society and Indian villages to make “Supermarkets” operationally more viable efficient and make better profits.

THE RESEARCH QUESTION OF THESIS:
The research question discussed in the introduction could be split up into three aspects:

A) The main research question is how to re-launch “Supermarkets” as new brand, product and service acceptable to all the masses of rural Indians, so that the “Supermarkets” would be in new format with changed...
style, culture and brand to suite to bring ownership feeling to rural people.

B) The second question is how to make supermarkets in India look with Indian names, with Indian style, Indian culture, Indian attires, Indian foods and Indian hospitality and creates an Indian winning “Brand” of retail sector.

C) The Above Research Question’s Leads to Bigger Research. Quest begins with identifying correctly the non-user market segment and how to entice them to shop with them, basically the lower middle class and economically lower section of society – defined in the bottom of the pyramid by Dr. C.K Prahalad the famous Indian Management Guru and Harvard Management Professor.

The Research Question of Pilot Survey: The Indian malls have come to stay with us in a big way from more than a decade and have successfully become a part of shopping experience of Indian middle class and higher class of our society. But these malls require developing bigger market base to become operational efficiency and making better profits. The pilot study has specific objective of how market development strategy to tap the non-user segment could be brought to malls for shopping to be specific and more precise. The pilot survey wants answer how these customers could be made to come to malls.

LITERATURE SURVEY:
Introduction to Mall Culture in India: Though the mall mania of the last few years indicates a change in shopping patterns, the wild exuberance in retail expectations may be misplaced and the real revolution is still waiting to happen. As per Devangshu Dutta, in his research article “Myth and Reality of the Retail Revolution” states that for many people organized retail only appeared in India with the launch of the “First malls” in 1999. The launch of Ansal’s Plaza in Delhi and Crossroads in Mumbai are hailed as the spark that led to the explosion of organized retail in the country and transformed the retail landscape in India. Even highly respected news journals have reported that “only three shopping malls” existed in India at the end of 2002. By 2010-11 now malls are in every city and the next target is the district headquarters.

However, if one were to define shopping centers or malls as enclosed shopping spaces, then Mumbai’s Crawford Market (opened in 1869) and Kolkata’s New Market (1874) surely have the pride of place as the pioneering malls in India. Delhi’s Connaught Place (opened in 1931) should also definitely be considered with its covered arcades.

Introduction to Supermarket Culture: Col. Ashutosh Beri in his article “The Great Indian Mall: Evolution In Process” states that “With the provision of more entertainment options in malls, Indian retailers now have vastly enhanced their ability to increase sales.” Until recently, street markets and bazaars were the top performers in the retail space and they were cornering a huge chunk of the overall sales. However, traditional markets now have to imitate malls by creating a better overall shopping experience for potential customers.

They have to offer a larger mix of diverse products – including food and beverage as well as entertainment outlets, preferably under one roof like malls do. A consumer is attracted to a supermarket because of the availability of world-class services, exposure to various brands, tempting promotional offers and periodic discounts. The superior ease of shopping in air-conditioned, aesthetic comfort as well as access to a variety of food options are added incentives to mall visitors.

Business Strategy for Malls: The author col. Ashutosh in his research article that the “New Business Strategies” that the rising competition has made mall developers focus on core competencies and accurately researched offerings to their target customers. To begin with they attempt to understand the shopping needs of customers in their focus ‘catchment’ areas. Then, they proceeded to build a well-planned portfolio of retail options that address the needs of those consumers. Post-recession, retailers have become a lot more vigilant in terms of expansion and they now evaluate the specific dynamics and profitability of each location more carefully than ever before. Certain business strategies have now been recognized as absolutely necessary for running a mall successfully:

1. Zoning: Formulating the right tenant mix and its placement within the mall.
2. Sustainable Revenue Model: Mall developers should not only concentrate on fixed rental, but develop innovative models where both retailers and developers.
3. Promotions and Marketing: Events that can help promote companies are essential. These fall under the purview of effective mall management.
4. Mall Management: A function of Property and Asset Management – is basically a combination of services that factor in people, place, processes and technology in a particular building. Professional mall management results in the best possible utilisation of resources available. It encompasses three aspects – infrastructure, ambience and traffic management.

a) Infrastructure Management: This pertains to the management of facilities.

b) Ambience Management: This refers to mall’s overall appearance and ‘feel.’

c) Traffic Management: This concerns itself with crowd management, both inside the mall premises and in the parking zone.

Introduction to Grand Strategies: The author Dan Power in his article “Identifying and Evaluating Business Strategies” states that “A strategy is a statement of the means that will be used to achieve long-term objectives.” Also, a strategy is a pattern identified in a series of decisions or actions. An intended strategy is planned by decision makers and an emergent or realized strategy is a product of any planned and unplanned actions.

The grand or master strategies include concentration, market development, product development, innovation, horizontal integration, divestiture and liquidation. These strategies need to be customized for a specific firm. Strategic plans should describe programs of action and resource allocations.
The methodology of research study: The research would design the null hypothesis with regard to the objectives of the research and would be tested under statistical study on selected malls in Mysore, Bangalore and Mangalore. The research would be to understand their present strategy and their plans if any for correct re-positioning of themselves for Indian market. The research would design set of questionnaires to middle level managers operating in malls in their operational positions and to the customers who are already visiting the malls and their income and other demographical details and to the villagers and economically backward retail customers - who are not coming to shop in malls at all. This research would focus detailed three to four years of research - to bring out - why the present customer is visiting the malls, why the “non-user” customer is refusing to visit and shop in malls and what are the reasons and what changes he wants to come into the malls and shop, what are his inhibitions, confusions and apprehensions about malls, which is keeping him psychologically being away from malls are very important “critical success factor” finding aspects of research.

This research would also involve in discussions and interviews with top-echelon of malls, mall administrators and executives besides the secondary sample survey envisaged in detail in the above paragraph. The data collected out of questionnaire study on the middle level managers and supervisors (Addressing customers at front end), customers, non-users would be analyzed using stratification techniques and suitable statistical tests.

The primary resources of questionnaire sample study will be supplemented with secondary resource from the texts, books, journals, conference proceedings of national and international conferences, e-knowledge source to have deeper understanding of the subject matter of research and also the previous research done on these subjects available in this knowledge source would be utilized.

The methodology of the pilot survey: Random Sample Study: The researcher had discussions with supervisors of few malls and also spoke to a cross-section of economically lower section of society on a random sampling model and found out why they are not visiting the malls and what could make them visit the malls. The researcher also spoke to the managers of Big Bazar, more and reliance malls to find out the viability of this idea and they were really excited about the idea and were bent upon taking the new idea for experimentation.

Final Word: Study Results and Suggestions of Pilot Survey (The Direction for Framing the Thesis Research Objectives and Hypothesis): The study revealed that there is vast section of society, especially belonging to lower middle class and economically lower class of society and the village mass neither visit the mall nor interested to visit. They have a apprehension that the goods are costlier than their traditional retail shops, i.e. Kirana shops. He is unable to understand the English advertisements and sign boards. The dress code of the mall attendants are not traditional “Dhoti and Shirts” and only uniform creates as unfriendly environment for villagers and economically lower section of society to enter to malls.
The Study Suggests that:
1. Advertising and promotional activity should focus - also addressed and redesigned to attract and cater to villagers and lower income groups – which is a large section of non-user segment. This is a potential segment as Dr. Prahalad at the Harvard Management Guru puts it “The future lies with those companies who see the poor as their customers. This is possible only by a clear market
2. The malls should focus on better Indian dress and use of local language in their sales promotion activity.
3. The restaurants within malls should have local flavours and foods and beverages.
4. The first time visiting customer should be made to feel comfortable.
5. The customers should be made to visit again and again by suitable discounts and gifts – like visit mall for three times in a month and win points, gifts, discounts on bills.
6. There should be exclusively advertising and promotional campaign to attract rural masses.

Dr. C. K. Prahalad’s models of bottom of the pyramid used by Hindustan Lever by attracting poorer and rural masses using the packs, Schacht and packaging have worked turnaround for many shampoos, soaps, detergents and biscuits companies and same experience could be tested in malls for improving the sustainable and growth challenges presently the malls are facing.

CONCLUSIONS OF PILOT STUDY: The researcher unequivocally mentions the challenge ahead for mall administration are the “Professional mall management by management experts and analysts” and “the long-term viability and success” of a mall, as these strategies are utmost important to attain and maintain successful optimal operations. This is possible only by a clear market development strategy that will entice and attract the Indian “Poor” mass also into the fold of market base of malls, i.e. non-

user segment of malls and also to make the present and new customers (Non-user segment customers newly attracted to visit malls) visit again and again and make - create a new true Indian mall for all Indians.

Final Word and Directions for Present Research: The researcher feels the present research would sincerely try to bring out research outcomes of these three to four years of research (started now) to find the ways and means of making “malls” survive, sustain and grow to give Indian masses wonderful shopping experience and best quality “fast moving consumer products” at best prices - thereby not only share products and service to India, but also distribute happiness and health by best quality of goods in their shelves and transparency in their operations and patriotism in their heart.

REFERENCES OF LITERATURE SURVEY:
1. Devangshu Dutta’s research article “Myth and Reality of the Retail Revolution” Devangshu Dutta is a retail sector consultant and chief executive of the consulting firm Third Eyesight. 2009.
2. Col. Ashutosh Beri (MRICS), Managing Director - Property and Asset Management, Jones Lang LaSalle India the research article. 2009.
4. Dr. Bharagav, SV Ramachandra’s research paper presented in national conference on “tapping non-user segment for Indian retail market” in Mangalore 2011. (With permission of author).