MARKETING STRATEGIES OF PUBLIC AND PRIVATE ORGANISED RETAILERS IN KERALA - A COMPARATIVE STUDY

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ABSTRACT

Retail industry, being the fifth largest in the world, is one of the sunrise sectors with huge growth potential and accounts for 14-16% of GDP. Comprising of organised and unorganised sectors, Indian retail industry is one of the fastest growing industries in India, especially over the last few years. In recent years the Indian retail market has seen considerable growth in the organized segment. For example companies like Reliance, Tata, Adani group have been investing considerably in the booming retail sector of India. Indian retail sector is highly fragmented and the unorganized sector has around 13 billion retail outlets that account for around 95-96% of the total retail sector of India.

The growth of the retail trade in Kerala is associated with the growth in Kerala economy. At the beginning stage of organized retailing the government of Kerala as well as traders in the unorganized sector were against their entry in to the market. The Kerala government has introduced a bill namely 'The Kerala state essential commodities act 2007' in the legislature assembly and the act came in to effect. The organized retailers are used various marketing strategies for promote their trade as well as increase the profit. This paper focused on the perception of retailers regarding various marketing strategies.

Keywords*: retail sector, organized retailing, marketing strategies.*

INTRODUCTION

According to Philip Kotler 'retailing includes all the activities involved in selling goods or services directly to the final consumers for personal, non-business use. In India organized sector contributing 3-4% of the total retail sector. The retail sector in India is dominated by mom- pop stores and though organized retail is emerging, but in last 6 years has been seen many Indian companies making an entry into organized retail sector with a few multinational companies tying-up with Indian companies. Both organized retailing and unorganized retailing are existing in Indian retail sector. The sector is dominated by unorganized sector. This sector consist of the traditional formats of retailing such as the local kirana shops, general retail stores, convenience stores, super bazars etc. The organized retail sector consistsof licensed retailers who are registered under sales tax and income tax. The private large retail organizations, retail chain stores and

hypermarkets constitute the organized retail sector. Many sectors occupy an important position in retail industry. Earlier the retailing in India was mostly done through family owned small stores with limited merchandise, popularly known as Kirana shops. In those times food and vegetables were buying from clusters of open kiosks and small shops. There were also occasional festivals are conducted for promote buying habits of the people. In the twentieth century, adoption of western concepts brought about changes in the structure of retailing. The government set up public distribution outlets to sell subsidized foods and groceries and started the Khadi Gram Udyog to sell clothes made of cotton items. The Reliance Industries Ltd, Aditya Birla Group and Bharti Enterprise are the three major retail business enterprises in India.

The growth of Kerala retail trade is associated with the growth and developments in Kerala economy. At the beginning stage of organized sector retailing, the Kerala government as well as traders in the unorganized retail sector were against their entry in to the Kerala retail market. After the government of Kerala introduced a bill namely 'the Kerala state essential commodities act 2007' in the legislature assembly and the act came into effect. It is the first attempt adopted for promoting retail trade. The intention of government was to introduce 35000 public distribution system shops and 17000 shops of state civil supplies corporation.

Retail companies are using many marketing strategies for promote their trade and income. It involves careful scanning of the internal and external environments which are summarised in a SWOT analysis. Internal factors consist of marketing mix and strategic constraints analysis. External factors include customer analysis, target market analysis and analysis of technological, political and economic environment. The companies are using various pricing, promotion and distribution strategies for attaining the desired results. The most important element in marketing strategies is environmental analysis. This helps to identify the opportunities and threats of the enterprise. Right positioning, targeting, effective visual communication, strong supply chain management, steps for changing the perception of employees are the examples of marketing strategies adopted my retailers. There is a huge ability for the growth and development of organized retailing in India. By adopting various marketing strategies, by establishing proper communication between various functional departments and maintaining a balance between promotion strategies of public and private organized retailing it can raise enormously, achieve faster growth and attract more customers.

OBJECTIVES OF THE STUDY

- To identify the strategies used by the retailers in the area of marketing to boost their trade.
- To assess the perception of retailers related to various marketing strategies.
- To analyse the influence of personal factors on the retail marketing strategies.

HYPOTHESIS OF THE STUDY

- H2: There is no significant difference perception of employees on promotional strategies and personal factors.
- HO: There is no association between perception of retailers on closest competitor and organization type.

REVIEW OF LITERATURE

AnuradhaKalhan (2007) studied "Impact of Malls on small Shops and Hawkers survey".The study highlights that a small sample survey of the influence of malls on small shops and hawkers in Mumbai, points to decrease in sale of groceries, vegetables, Processed foods, garments, shoes, and electrical goods in these retails outlets, ultimately threatening 50%of them with closer or major decrease in business. The study reveals that 14% of samples of small shops and hawker have so far been able to respond to competitive threat of the malls with the institution of fresh sales, promotion initiatives.

Chung-yimYiu (2007) made a study on "An ecological framework for the strategic positioning of a shopping mall", this paper arose out of degree of frustration with the academic literature on the strategic position of shopping. The study identified that the strategic position of a shopping mall is essential to its success. There is no ordered and scientific study on this topic. Hence this study contributes a pioneer and scientific look into the subject. Retail network interact with every customers in the shopping street through competition and co-operation.

Shelja Jose Kuruvilla&Ganguli (2008) studied "Mall development and operations; An Indian perspective". The study highlight that with a good location, good research on consumer can achieve success in India. A good relationship between the mall management and the customer services and prompt action by the mall management to ensure a sense of security are also compulsory for the mall success. It is estimated that the maximum part of the country retails business shall move to malls in the next few years and more consumers to shallbuy from malls.

Rajagopal(2009) made a study on "Growing shopping malls and behaviour of urban shoppers". The results conclude that the perspectives of shopping mall ambience and shopping satisfaction effectively become a measure of retail performance, satisfaction customer attraction and propensity to shop for urban shoppers. This tendency of shoppers demands change in the strategy of mall management and retailing by offering more recreational infrastructure, extended working hours, place for demonstrations and consumer education on theinnovative and high technology products and services, brand loyalty and pricing strategies.

RESEARCH METHODOLOGY

The study is descriptive in nature and the survey is conducted for collecting information regards marketing strategies of retailers. The retailers of lulu malls and supermarkets in 3 districts of Kerala were considered as population and 120 sample respondents selected for the study. Stratified random sampling technique is used for selecting the samples. Primary data was collected through a well-structured questionnaire. Chi square test, ANOVA and Kendall's coefficient of concordance were used as tools for analysis.

ANALYSIS AND INTERPRETATION OF DATA

CHI SQUARE TEST

HO: There is no association between perception of retailers on closest competitor and organization type.

Org type	Closest competitor	Chi square value	sig	remarks
public	Big bazar	26.326	.000	sig
	Smart mall			
private	Others			

Source: primary data

The above table depicts the chi square value of the organization type and perception of retailers on closest competitor is 26.326 with P value .000, which indicates that there is a significant association between the organization type and closest competitor. Phi and Cramer's V analysis is conducted for identify the association. The Cramer's value is .434, which is less than .5; hence there is a lower association between organization type and perception on closest competitor.

ANOVA

H1: There is no significance difference of perception among the retailers on the pricing strategies and personal factors.

Personal factor	Pricing strategy	F	sig	remarks
Store format	Discount pricing	.694	.629	Not sig
	Multiple pricing			
	cost plus pricing			
	Discount pricing			

investment	Multiple pricing	3.762	.026	Sig
	cost plus pricing			
income	Discount pricing	4.411	.298	Not sig
	Multiple pricing			
	cost plus pricing			

Source: primary data

The above table shows the results of ANOVA, it is clear from table store format selected by respondents has not influenced the pricing strategies they adopted. Investment of the respondents as a personal factor has an influence on pricing strategies, where the P value is less than .05 and the null hypothesis is rejected. The income of the respondents has not influenced by pricing strategies.

H2: There is no significant difference perception of employees on promotional strategies and personal factors.

Personal factors	Promotional strategies	F	sig	remarks
Store format	Create websites	4.380	.015	Sig
	Enhance customer relation			
	Accepting credit cards			
	Dealing with eco friendly			
investment	Create websites	.797	.554	Not sig
	Enhance customer relation			
	Accepting credit cards			
	Dealing with eco friendly			
income	Create websites	3.074	.050	Sig
	Enhance customer relation			
	Accepting credit cards			
	Dealing with eco friendly			

Source: primary data

The ANOVA results revealed that store format and income has influenced by promotional strategies and both has P value less than .05 and the null hypothesis rejected. Investments of retailers are not influenced by promotional strategies, which have P value more than .05 and the null hypothesis is accepted.

KENDALLS COEFFICIENT OF CONCORDANCE

S.No	Challenges in Retail Marketing	Mean	Rank
1	Changing customer preference	3.74	2

2	Customer awareness	3.54	4
3	Lack of retail space	2.66	5
4	Domination of established brands	3.72	3
5	Lack of trained persons	3.96	1

Source: primary data

Kendall's coefficient of concordance

Kendall's W	.016

Lack of trained persons or staffs has scored as the important challenge faced by the retail marketer with the highest mean values of 3.96 followed by changing customer preference (3.74). Lack of retail space is considered as the least challenge for the retailers (2.66). Kendall's coefficient has been applied to test the validity of challenges faced by the retailers in their business. The Kendall's value is .016 (which is less than1) has shown lower concordance among respondents. So retailer's perception on marketing challenges has lower similarity.

FINDINGS AND SUGGESTIONS

- Cost plus pricing strategy is accepted as the best pricing strategy as it can be inferred with high mean value of 2.32
- Arranging bank credit or accepting credit cards are considered as most important promotional strategy by majority of the retailers.
- Lack of trained staffs is the most important challenge faced by both public and private retailers in the organized sector.
- Focusing on market research is accepted as the basic factor for private sector retailers while adopting target marketing strategies and identify the ideal customer is prime factor for public sector retailers while adopting target marketing strategy.
- The retailers in both public and private sectors should be maintaining the organizational flexibility that allows organizational changes.
- Extra benefits should be offered to the retail customers like free samples, door step facility, email alerts etc.
- The outlook of the organized retail market shall attracts the customers to a large extent, so proper consideration should give at all levels like proper lightening, good security, infrastructure and clean washrooms.

- The public sector retailers should be focusing on marketing research to identify and develop the products as per the needs of customers.

CONCLUSION

The growth of the retail trade in in India is associated with the growth in our economy. Business practices made by organized retail outlets are known by organized retailing are introducing latest technology, growth of business operations and increasing customer satisfaction. Majority of the retailers are attracting their customers by accepting credit cards, convenient timing and healthy bargaining. The customers of organized retail sector do get benefits because of the lower prices, better quality, and large choice. Most of the educated people prefer private malls and lower income peoples prefer public supermarkets. There is evidence that increase in total employment and growth rate exist in organized retailing. Both public and private organized retailers are important and cooperation between these sectors needed for the growth of Indian retail sector.

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