MARKETING STRATEGIES IN RETAILING

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Abstract

Retail is the largest industry in the world and is controlled by few powerful businesses. The emergence of a more open world economy, the globalization of consumers' tastes, and the development of a worldwide commercial web all have increased the interdependency and interconnections of markets across the globe. In such a global environment, firms should develop their marketing strategy. The Indian retail market will soon become more competitive as the small retailer groups have started using quality measures like Retail Service Quality Scales (RSQS) for their performance improvement and it will develop the suitable to Indian context. Retail showrooms will start offering multi-channel online retailing facility. The Indian society has shifted to purchasing product and services online in recent days. The online shopping destinations like eBay, Amazon comparison shopping portals like froogle and shopping.com will be popular in Indian community. Thus the customer can not only save time but also have a better comparison of products in the neighbourhood retail showrooms.

Introduction

Retailing is one of the oldest businesses of mankind and almost close to settled agriculture, as its origins can be traced back to the time when exchange of goods started taking place. Any business to consumer interaction in the present context can be termed as retailing. The term retailing is an expression for the so-called large retail. Retailing is conducted by large-scale, high-capacity retail units, usually operating in transnational space. Retailing is delivering goods to consumers in the place or situation providing a space for the exchange of goods and services. It is direct selling to the consumers of smaller quantities of goods. A key achievement of retail chains is a combination of unique strategy with excellent performance, as well as customer acquisition and retention which is a key issue for all companies offering their products on the market. Retailing and especially its modern electronic forms are clearly becoming an area of intense interest of venture capital. The result is shortening the time period when a new idea is imitated and expanded. The future success of any retail company requires excellent competence in all processes. Retail business and its efficiency is also closely linked to its workplace, local conditions and territorial factors deployed in the location. The innovation, change, speed, interconnection of modern and sophisticated technologies used in the mutual communication between retail chains and consumers is increasingly presented as today's phenomenon.

Kitchen (2010) informs that the theory of marketing mix has evolved from a notion of 'mixer of ingredients' a term introduced by James Culliton (1948) during the study of marketing costs conducted in 1947 and 1948. The principle of 'mixer of ingredients' consisted of analysing various business processes and marketing efforts looked at as 'ingredients' individually in order to find the best combination for the improvement of the business. The concept of 'marketing mix' itself was introduced by Neil Borden during 1950s an initially implied different means of cooperation (Borden, 1964).

Marketing strategy is a procedure by which companies react to situations of competitive market and forces of market or react to environment forces and internal forces to enable the firms to achieve its objective in the target market (Lee & Griffith, 2004; Slater, Hult, & Olson, 2010). Traditionally, marketing strategy is a plan for pursuing the firm's objective or how the company is going to obtain its marketing goals within a specific market segment (Kotler, 2013; Walker, 2011; Slater, et al., 2010).There are things that can limit the effectiveness of a marketing strategy. For instance, the failure to adjust it to account for changes in market conditions, such as the appearance of a new competitor who offers much lower prices, may cause you to lose customers. Not taking the timeto conduct thorough research before developing your strategy can result in a marketing campaign that misses the mark and wastes valuable marketing dollars (Hose, 2011).

Retail marketing strategy

Marketing 4P's strategy has been defined as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target". Then the marketing mix refers to four broad levels of marketing decision, namely: product, price, promotion, and place. Finally the contemporary *Marketing 4P's definition*, or the 4 Ps, which has become the dominant framework for marketing management decisions, was first published in 1960.Traditionally, the core of a retail marketing strategy started with the four Ps. These aspects created the foundation for future retail marketing efforts and put a heavy focus on to products and organisation as a whole.

Marketing Mix
4 P's

Product	Price	Place	Promotion
Variety	List price	Channels	Advertising
Quality	Discounts	Coverage	Personal selling
Design	Allowances	Locations	Sales promotion
Features	Payment period	Inventory	Public relations
Brand name	Credit terms	Transportation	Direct marketing
Packaging		Logistics	
Services		Assortments	

Product

The product is a combination of tangible and intangible aspects of the products offered by the manufacturer to the customers. It can be defined as a bundle of satisfaction and dissatisfactions offered by company to the customers at a point of time. Their physical attributes what they do, how they differ from your competitors and what benefits they provide. The products can be classified as durable and non durable, consumers and industrial goods, perishable and non perishable, finished and semi-finished etc.

Price

Pricing is key to any retail strategy. Price means the monetary value of the product has been fixed for exchange purpose. The price is the amount a customer pays for the product. It is fixed after considering various factors such as market share, competition, material costs, product identity and the customer's perceived value of the product. The business may increase or decrease the price of product if other stores have the same product. It is through price the company gets its money back in business. It should be fixed in such a way the company is in position to recover the costs and earn profits also. If it is fixed very low then it may be difficult to come to the breakeven point and if fixed very high then it may have deterrent effect on the sale. The prix decision is very sensitive and for that special care is to be taken so that you may get the competitive edge due to price decision.

Place

Place represents the point or location where the product is made available to purchase. It is required that the products and customer should be available at a point then only the sales would be possible. If not then the sale does not taken place. This term is used for distribution channel. It can include any physical store as well as virtual stores on the Internet. Place is not exactly a physical store where it is available Place is nothing but how the product takes place or create image in the mind of customers. It depends upon the perception of customers. The products or services should reach to the customer that channel is called distribution channel

Promotion

The promotion concept is applied for products or services and to the business. The promotion include all communications a marketer used in the market for his products of services to create awareness, persuade the customers to buy and retain in future also. For improvement in the position of sales or progress of business this method is used. The message is given to target group regarding the features and benefits of the products or services to the target customers. Without communication the features, benefits and schemes would not be known to the customers and objectives of in launching of products or services and increasing sates would not be completed. When communication creates awareness then only the interest would be created and customers would take the decision for buying. For promotion different methods of ommunication can be used.

MOST COMMON OUTLETS FOR RETAIL MARKETING STRATEGY:

Department stores – these offer high levels of customer service alongside a wide range of products and possibly a shop-in-shop model, where other brands sit within the same area of the department store.

Prices typically vary over time, and discount sales are common. In these environments, a customer has the convenience of many products in one place.

Supermarkets – once the main outlet for food, drink and groceries, the supermarket has diversified into banking, insurance and homewares.

In a competitive industry, supermarkets have huge buying power and will sell at low prices, in exchange for volume.

Warehouse retailers – usually in a no-frills environment, warehouse retailers keep over heads down and can sell a wide range of goods at competitive prices.

Speciality retailers – here expert knowledge is backed up with premium prices. Speciality products are added as part of an added value experience.

Ecommerce retailers – also known as etailers. Products are sold online via a website. These are highly convenient and can pass overhead savings, for example not having a bricks and mortar store, onto customers. Most can ship products to anywhere in the world.

Convenience retailers – smaller localised stores, often found in residential areas. These offer a smaller range of products, but at higher prices due to the nature of convenience.

Discount retailers – a variety of discounted products with low prices. Discounter retailers buy less fashionable and overstocked branded products from a range of suppliers and resell at discounted prices.

Conclusion

The marketing can function effectively only when the commitment from the management and people in the organization comes. Marketing managers need to comprehend the fact that although some elements (e.g., product, price, promotion and distribution) still exert a positive and significant effect on influencing market share, there are other elements which can influence the market share of brewing retailers. It is reasonable to say that the effect of the 4Ps is a potential outcome of a successful service delivery process and the interactions that take place between the customer and the company, which represents a fundamental part of successful business operations. This would strongly cover the way for the success of relationship marketing initiatives to improve retailing performance as well as customer satisfaction and customer loyalty levels.

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