Study and Evaluation of Sales and Marketing Strategies of Grocery Shops in Jabalpur City

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Abstract

Recent interest in "marketing techniques" has intensified the emphasis on temporary changes in retail types such as malls, hyper/supermarkets, grocery stores, department stores, discount stores, and convenience stores. This research found that four marketing elements, namely product, price, location, and promotion, have a major impact on modern marketing and customer satisfaction. Following a brief analysis, this paper aims to evaluate retailers' effective marketing strategies and apply them across new retail formats to improve their sales.

The marketing strategy and the actions of the Retailers differ from one location to another. There is a common belief that persons with varying levels of income live in different regions. This research was undertaken to determine the variations in the marketing strategies of grocery store owners because of variations in locations, or rural areas cantered on this presumption. For the thesis, grocery store owners of numerous Jabalpur city locations are considered. The areas were chosen based on the living area of a specific income group of people.

Expected Outcome:

The retailer can leverage the study for effective marketing.

The study will help to do smart marketing for the retail industry.

Keywords

Retail Marketing, Marketing Strategy, Small Retail Shops, location-based marketing strategy, marketing techniques

1. Introduction

After the First World War, the idea of retail stores became popular as businesses began moving from centralized management systems to multi-divisional product-based organizations.

There is always room for improvement, and marketing is a field with lots of ideas, creativity, and impact, leading to any firm's effective business. In this current age of technology where Data Science, Artificial Intelligence are used to make business more effective and efficient, Retail marketing also has scope to integrate with Information technologies and leverage the new tech [1].

India is a nation with a large population, a high degree of complexity, and different needs. The retail market is well structured to fulfill this need. So there is a need to develop and introduce modern retail industry strategies and restructure Indian consumer retail business models.

Grocery shops satisfy the average people's basic needs regularly. The grocery stores 'merchandise selection relies on the consumers' socioeconomic profile. Customer group homogeneity requires a homogeneous product group. The variation of the consumer groups' social context makes the activities difficult for the grocers since they are expected to satisfy the different demands of the heterogeneous customer groups. The marketing plan, i.e., commodity, size, place, promotion, is a function of the clients' socioeconomic profile. This article suggests that the city of Jabalpur has heterogeneous communities of customers residing in different areas of the city. The general purpose of the report is to see if the marketing tactics of the grocery stores situated in the different parts of the city differed from one area to another. This work has divided the city of Jabalpur into four locations believing that there is a distinctive socioeconomic profile of the residents living in those areas [2].

Suvidha Market, Rampur, Gorakhpur, Sadar are the four distinct areas on the considerations. Among these four areas, Sadar is known to be the town's pouch region and is popular for its costly consumption. This region is comprised of a higher-income and highly educated population. The area of Gorakhpur is known as a middle-income community. Moreover, the Rampur region comprises a lower-middle-class community with a diverse educational history and distinctive cul-

tural orientation. Where in Suvidha Market is a fully residential area with a mixed income population.

The local grocers are expected to create and implement location-specific marketing campaigns given the variability of consumer demography.

With the advent of online advertising and promotions, some retail industry businesses boomed, and other industries were silenced. The small retail stores were primarily affected by it. This paper would concentrate on the small retail shops, their effect on sales and marketing tactics, and their success in the dynamic marketplace [3].

2. Literature Review

"Retailing in its French origin means to cut up and refers to its basic activities: to buy in bulk quantities and sell in small. The retail Industry believes in selling directly to its ultimate customers. It involves the business activities right from the design stage of the product or from offering to delivery to its ultimate customers. This industry is a dynamic and fastest changing industry in the world today. Talking about the retail industry in India, Indian markets have two types of this industry; one is organized, and the other is unorganized or small retail. Licensed retailers who have registered themselves for sales tax, income tax, or corporates with management techniques come under organized retails. Whereas, the traditional type of low-cost shops like local Kirana or general stores street vendors comes under unorganized retail [4]."

"Coming across the features of small store v/s supermarkets, small stores are generally operated and usually owned in the space of 500 sq. ft. or less and are easily available within residential localities. Talking about the supermarket, a minimum of 2000 sq. ft. would be needed in commercial localities. The owners themselves operate small stores and thus have low operational costs. Supermarkets eliminate the wholesalers from the chain and thus have saved margins. Small stores are responsive to exclusive demands, while Supermarkets provide variety to customers and are likely to receive the newly launched products earlier than Kirana stores. Small stores provide services like free home delivery. Supermarkets have stronger advertising power, probably on the national or state level. At the same time, there have been instances that small stores sell at prices higher than the MRP and tamper with the number of loose products. Each of us knows our nearby small stores for a long time, leading to the customer-trust ratio as high. The payment and billing system is very fast in small stores as and when compared to the supermarket."

"The organized retailers are better than the small stores/Kiranas in terms of offers, cleanliness, and store brands. Hence, Kiranas are facing a threat in terms of the shopping experience provided to customers. Taking location as the primary parameter for grocery purchase, the small stores presently has an advantage [5]."

"Due to differences in location, the marketing strategy, as well as behaviors of the retailers, varies. Moreover, people with different income levels live in different areas. Based on this assumption, there must be a difference in marketing strategy in different areas."

"Small grocery shops also deal with beans, edible oil, snacks, rice, as well as daily used items such as soap and shampoo. Most of these shops provide unpackaged agricultural products and other items, including detergent or spices, in large open sacks, which they sell by weight. They generally follow the pattern of providing items over the counter, but some shops nowadays also allow customers to walk inside the store and look for what they want."

"Kirana shops are present in the neighborhood and have personal relationships with customers and thus are widely accepted by Indian people. Some shop's customers can buy on credit basis on trust, which helps build a good relationship. People do not make a bulk purchase as most of these small shops do not own refrigerators, and thus, people tend to buy what is necessary for daily use. Small grocery shops also address the needs of the poor who cannot afford to buy a large bottle of shampoo by providing them a sachet and plays a vital role as they deliver things on one phone call. However, when people prefer supermarket, they often have to face heavy traffic congestion, go through a security check or wait in line to check out [6]."

"Some companies have started to use small shops for promotions of sales. Amazon and StoreKing, an e-commerce company, are working to encourage people in rural areas having no prior online shopping experience to use their platforms. At small shops, applications are installed, and customers can use Amazon services. Myntra has announced that they will be using the space of Kirana shops to display their apparel items."

"In order to compete with supermarkets in terms of marketing strategy, small retailers are concentrating on a narrow market segment. The young generation generally prefers to visit organized retailer stores due to their changing lifestyles, but as their parents' value for money, they consider small stores."

"The Indian consumers are moving from the local Kirana shopping to supermarkets. Thus, Indian unorganized retailers aiming to grow need to pay attention to building their brand to reinforce marketing position and communicate quality and value for money."

"A considerable portion of common people visit small retail stores twice or thrice a week. A major chunk of the people prefers to visit supermarkets to buy food and grocery items once a month. Less educated people prefer to visit the small store more as compared to educated customers. Even the retired customers prefer to visit small retail stores more frequently. It is also observed from the research paper that an increase in the monthly household income increases the frequency of visiting supermarkets. Frequency to visit a small store is also found to increase with an increase in the family size [7]."

"Supermarkets are aware of their strength, i.e., low prices. They also focus on advertising, colors, lighting, product placement, shelves, music, visual effects like Maxi and Coop Forum prefer yellow and red colors to make their posters as red color perceived as hot, strong and is associated with passion and are dominating to the customers' eyes."

"The small retailer shops are taking care of the choice of the customers with diverse tactics as per the demand. They attempt to satisfy their customers with different strategies and maintain a good relationship to retain them and convert them into their loyal customers."

"Small retail stores should start using contemporary methods of doing business like taking the franchise of famous brands, Visual merchandising, Government should start some training provide them with the low rate loan facilities, Social responsibility to be performed to create goodwill, should sale the original material to create loyalty, should start giving free offer discount on special occasions or bulk purchasing, should use suggestion box, or extend the store working hours, should accept Visa, MasterCard, etc., train employees about professionalism, notify customers about new. Government should make a policy regarding the opening of the mall in the area where there are more than five shops in the same locality."

After reading all the above-mentioned literature, this paper is made to study how small retail grocery shops compete among themselves in their locality, what measures they are using to stand in the market and retain their customers. As demographics play a vital role in business strategy, so different areas have been selected in this paper to study the type of customers, strategies of sales, and marketing opted by the small retail grocery shops in those different locations [8].

2.1. Research Objective

The primary purpose of this study is to observe the marketing strategy and behaviors of the various grocers as per the locations. The study is attempting to identify the differences in different marketing strategies due to differences in the location of the grocery stores. Thus, the study investigates whether the shops retain the branded goods, sell on discount, assess the price, and create customer relationships.

3. Research Methodology

The nature of the research question will determine the correct method of analysis; quantification is sometimes needed, sometimes not. Questionnaires provide a means of performing a survey in which all respondents in the same situations are asked precisely the same questions [9].

3.1. Data Collection

To get the desired result of the research, the population area is segregated into four areas according to customer demography, education, and income. A survey was conducted to identify the different marketing strategies adopted by the shopkeeper. The survey includes a structured questionnaire that has some open and close-ended questions.

The sample size of the survey was a total of 40 grocers of Jabalpur city. The city is segregated into four parts as Sadar, Gorakhpur, Rampur, Suvidha Market; out of this, Sadar is a highly educated and high-income area, Gorakhpur is a mid-income and market area, Rampur is mixed-income, market and residential area, and Suvidha market is a mixed-income and fully residential area.

Of those 40 respondents, 10 have grocery stores located in Sadar, 10 have a location in Gorakhpur, 10 have grocery stores located in Rampur, and 10 are located in Suvidha Market. The sampling process was a process of random sampling. Finally, both quantitative and qualitative analyses were considered in the study. Excel is the data analysis used for performing the different analyses [10].

3.2. Questionnaires

A total of 9 questions were formed to get the desired information from the Grocers, which majorly aimed to get information with regards to;

- Proprietorships of the shop, whether they own the shop or they have a partnership with others.
- Distribution Channel, whether they have any kind of product or brand distributorship channel.
- Whether they keep branded products only or how much they prefer to keep branded products.
- They only need-based products, whether they keep only local need-based products or prefer to get some extra goods, not so essential and luxurious products.
- The extra storage facility, whether they have the facility of extra storage.
- Price control, whether they have control over the product pricing.
- Customer satisfaction, how do they understand if their customers are getting satisfied by the selling,
    1. By customer behavior
    2. By getting customer good quality product
    3. By repeat purchase
    4. By a large amount of sale
    5. By getting good branded or company product
- Delivering higher value, how do they try to deliver higher value to their customer,
    1. By good behavior
    2. By selling a good quality product
    3. By repeat sales
    4. By a large amount of sale
    5. By providing well-branded product
- What do they consider the important factors to maintain a good business and for good selling.
- The infrastructure of the shop
    6. Behavior of salesperson
    7. Technology Management, i.e., Card swapping machine, online payment options, digital display, etc.
8. Goods Procurement
9. Storing/Sizing/Decorating
10. Inbound Logistics
11. Outbound Logistics
12. External Sales and Marketing
Services, Any Others

4. Results and Analysis

Based on the questionnaire survey and the quantitative data collected following are the results found from the grocers on the sale and marketing strategy based on different locations:

4.1. On a Proprietorship

Among 40 shops, 33 grocers have their own with the shop, and only 7 are doing business on partnership-based, whereas for different locations, i.e., Sadar, Gorakhpur, Rampur, and Suvidha Market, the sole proprietor are 9, 7, 7, 10 respectively Table 1. Also, it has been observed that the highest no of owned shops is in the Suvidha market, which is 10 [11].Total proprietorship is shown in Figure 1. Proprietorship based on locations is presented in Figure 2.

Table 1
Count of proprietorship/ownership of the shops as per the location

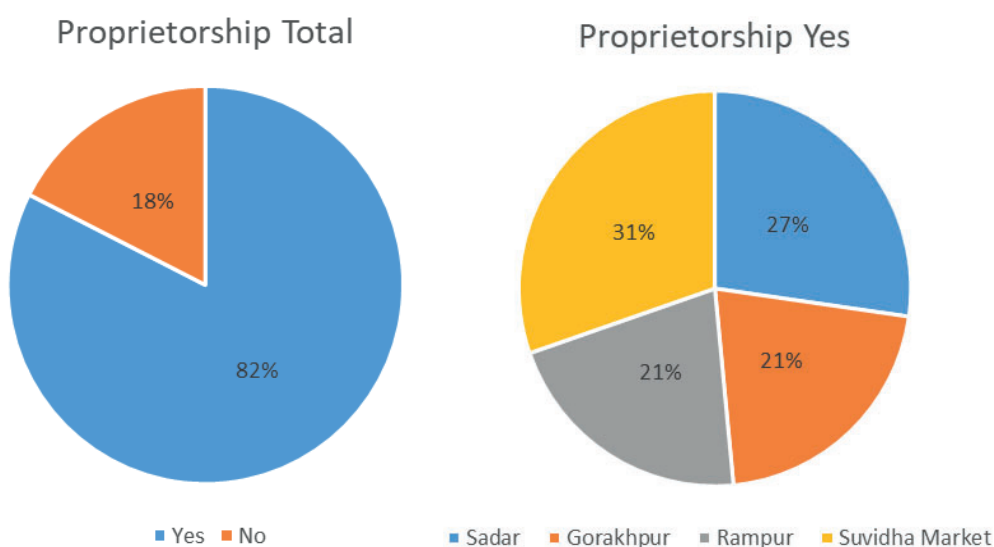| Proprietorship		
Location	Yes	No
Sadar	9	1
Gorakhpur	7	3
Rampur	7	3
Suvidha Market	10	0
Total	**33**	**7**

Figure 1: Total proprietorship

PROPRIETORSHIP

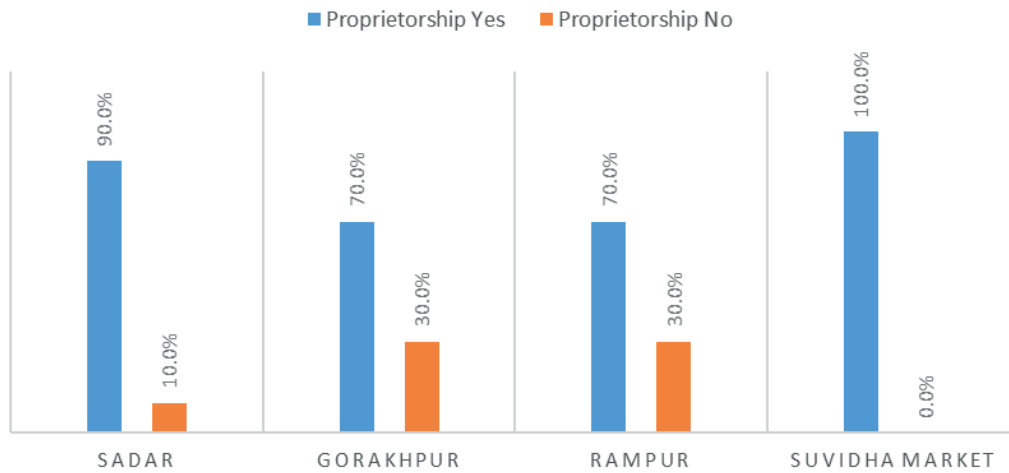■ Proprietorship Yes   ■ Proprietorship No

Figure 2: Proprietorship based on locations

4.2. On Distribution Channel

For the product distribution channel among 40 shops, not a single shop runs any product distribution channel. For all the locations, the count of the distribution channel is zero Table 2. Product distribution is shown in Figure 3. Product Distribution Channel Based on Location is shown in Figure 4.

Table 2

Count of product distribution channel by grocer as per the location

Product Distribution channel		
Location	Yes	No
Sadar	0	10
Gorakhpur	0	10
Rampur	0	10
Suvidha Market	0	10
Total	**0**	**40**

Product Distribution Channel Total

0%

100%

■ Yes ■ No

Figure 3: Product distribution
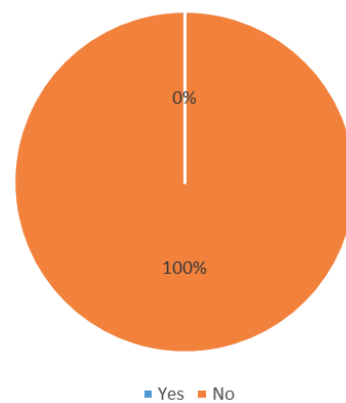

PRODUCT DISTRIBUTION CHANNEL

■ Product Distribution channel Yes   ■ Product Distribution channel No
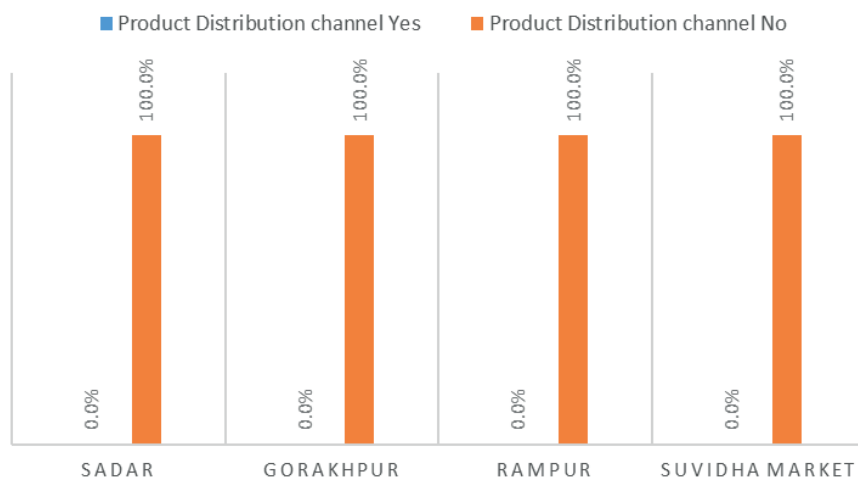
Figure 4: Product distribution channel based on location

4.3. Preference for Branded Product

For the preferences of keeping the branded product to some range, 27 grocers keep branded product in a range of 60-80%, 11 grocers keep branded product in a range of 40-60 %, And only two grocers have 80-100% branded product in their shops out of total 40 shops Table 3. Branded Product Preferences Based on Location indicated in Figure 5.

Table 3

Preferences of branded product in shops

Branded Products (%)				
Location	20-40	40-60	60-80	80-100
Sadar	0	3	7	0
Gorakhpur	0	5	5	0
Rampur	0	2	6	2
Suvidha Market	0	1	9	0
Total	**0**	**11**	**27**	**2**

4.4. Products on a Need-Based

For keeping only, the need-based product, 17 grocers prefer to keep 60-80% of the total product on a need-based basis, whereas 15 grocers prefer to keep 40-60%, and only eight grocers prefer to keep 80-100% of the total products on a need-based base out of total 40 shops Table 4. Need-Based Product Based on Location can be seen in Figure 6.

Table 4

Need-based product in shop

Need-Based Products (%)				
Location	20-40	40-60	60-80	80-100
Sadar	0	5	3	2
Gorakhpur	0	3	5	2
Rampur	0	2	4	4
Suvidha Market	0	5	5	0
Total	**0**	**15**	**17**	**8**

4.5. Extra Storage Facility

For Extra Storage capacity, we have observed that only 12 grocers have extra storage facilities, and 28 grocers do not have extra storage facilities out of a total of 40 shops. Whereas for different locations, i.e., Sadar, Gorakhpur, Rampur, and Suvidha Market, extra storage capacity are 3, 2, 3, 4 respectively Table 5. also,

Table 5

Extra storage capacity

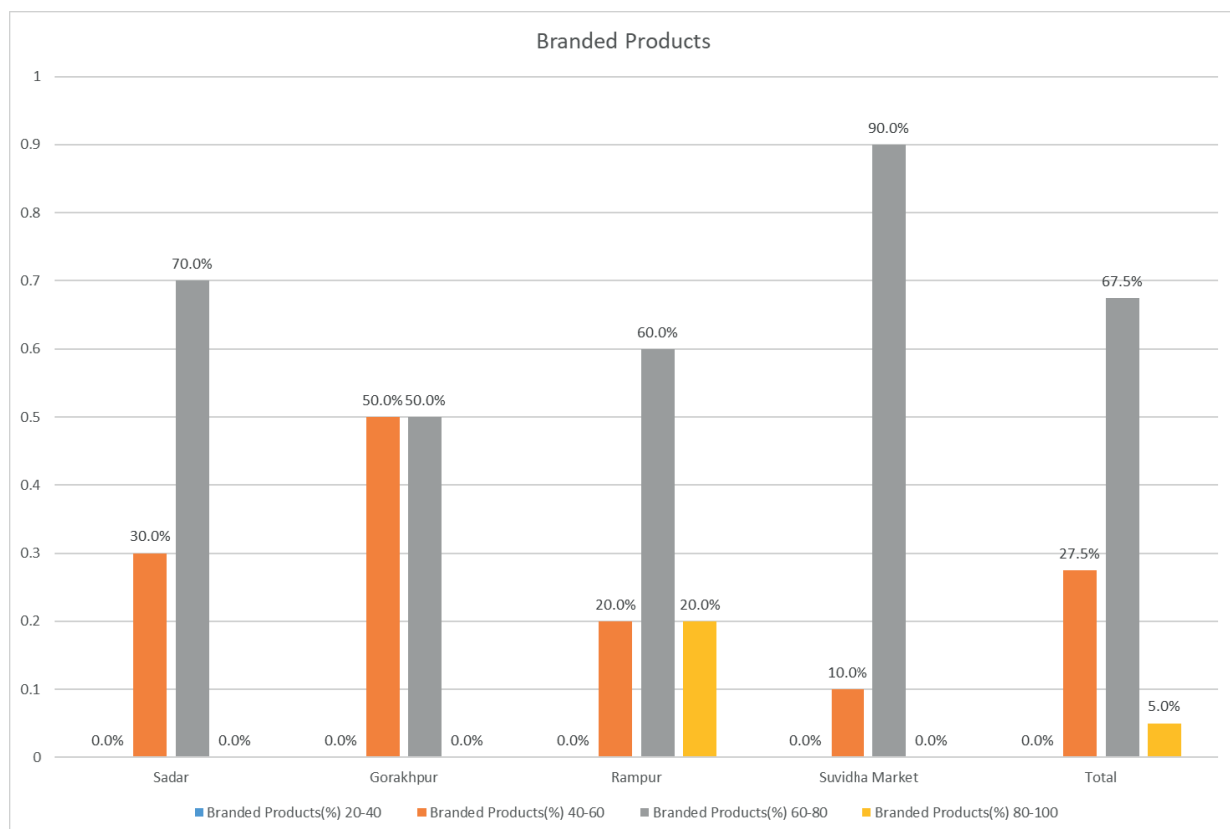| Extra Storage		
Location	Yes	No
Sadar	3	7
Gorakhpur	2	8
Rampur	3	7
Suvidha Market	4	6
Total	**12**	**28**

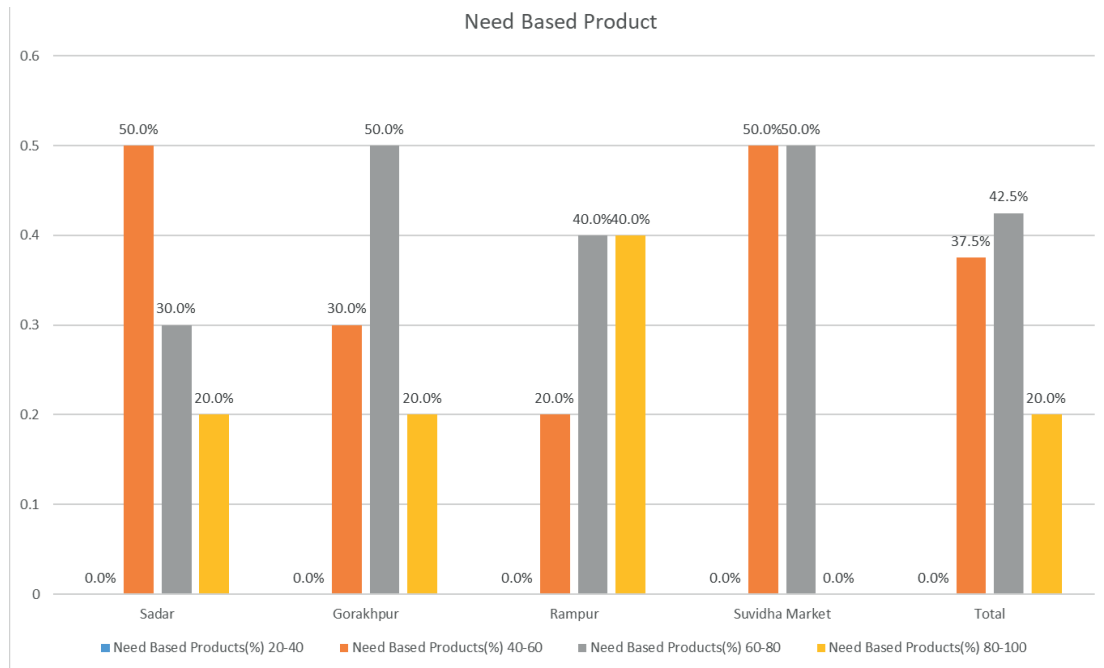Figure 5: Branded product preferences based on location

Figure 6: Need-based product based on location

it has been observed that the highest no shop with the capacity to have extra storage is in the Suvidha market

4. Extra Storage Facility, Extra Storage Facility Based on Location is shown in Figure 7 and Figure 8.
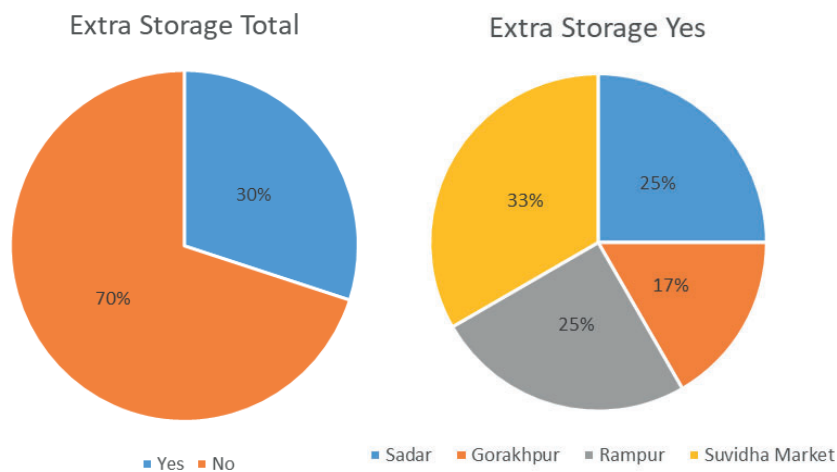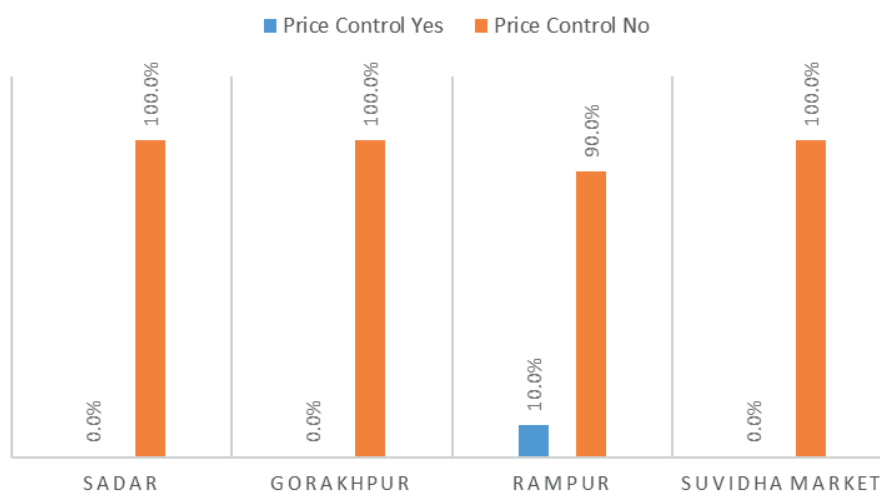

Figure 7: Extra storage facility

Figure 8: Extra storage facility based on location

4.6. Price Control

When asked for having control over the pricing, it is found that only 1grocer at Rampur location out of 40 grocers have control over the pricing of the product; when asked for more clarity, it was recorded that it has the capacity of only 2-3% of controlling the price that too only for the non-branded product Table 6. Price Control & Price Control Based on Location is shown in Figure 9 and Figure 10.

Table 6

Price controlling

Price Control		
Location	Yes	No
Sadar	0	10
Gorakhpur	0	10
Rampur	1	9
Suvidha Market	0	10
Total	**1**	**39**

4.7. Customer Satisfaction

For the judgment of customer satisfaction, it is found that 33 grocers out of 40 say 'Repeat Purchase' indicates that the customer is satisfied where 20 out of 40 and 11 out 40 says that 'by the behavior of customer' and 'Large amount of purchase' show the customer is satisfied with the product and service [12]. Customer Satisfaction Drivers is indicated in Figure 11. The top Four drivers for judging customer satisfaction are,

- By their Repeat Purchase
- By Customer's Behaviour
- By a large amount of selling
- By Getting the Good Quality Products

4.8. Delivering High Value

For Delivering the higher value to the customer, it is found that 27 out of 40 says that they deliver the higher value to the customer by providing the good
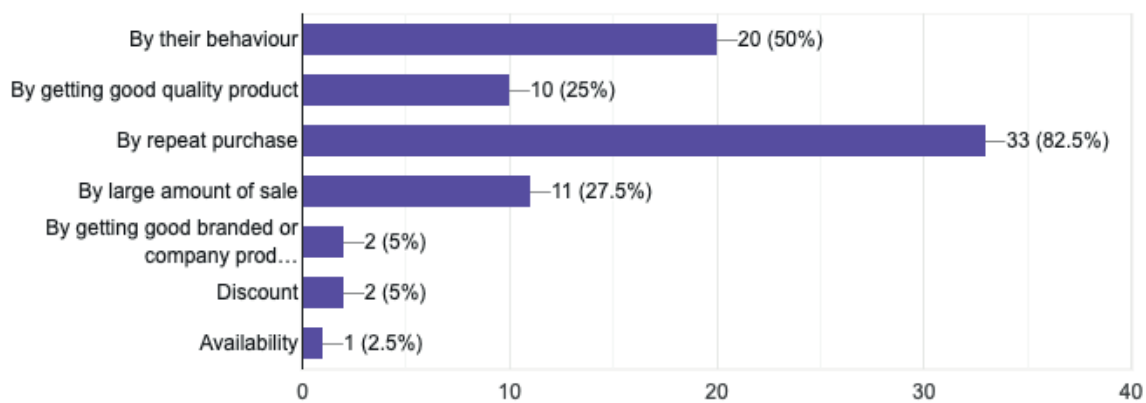

Figure 9: Price control

Figure 10: Price control based on location

Figure 11: Customer satisfaction drivers

quality product, whereas 26 out of 40 and 19 out 40 says that they deliver the high value to the customer. Delivering High-Value Drivers is shown in Figure 12. Top Four drivers for delivering the higher value to customer care,

- By Providing Good Quality product,
- By Good Behaviour towards the customer,
- By Doing Repeat Sale, and
- By Providing Branded Product

4.9. Business Maintenance

For maintaining the business and for having continued sales it is found the maximum grocers 25 out of 40 says that 'Behaviour of Sales person' is essential whereas, 22 out of 40 and 19 out of 40 says that 'Procurement', 'Infrastructure of the shop' and 'Storing/Sizing/Decorating the Product' helps in maintaining for the business [13]. Business Maintaining Drivers is shown in Figure 13. Top key drivers for maintaining the business are,
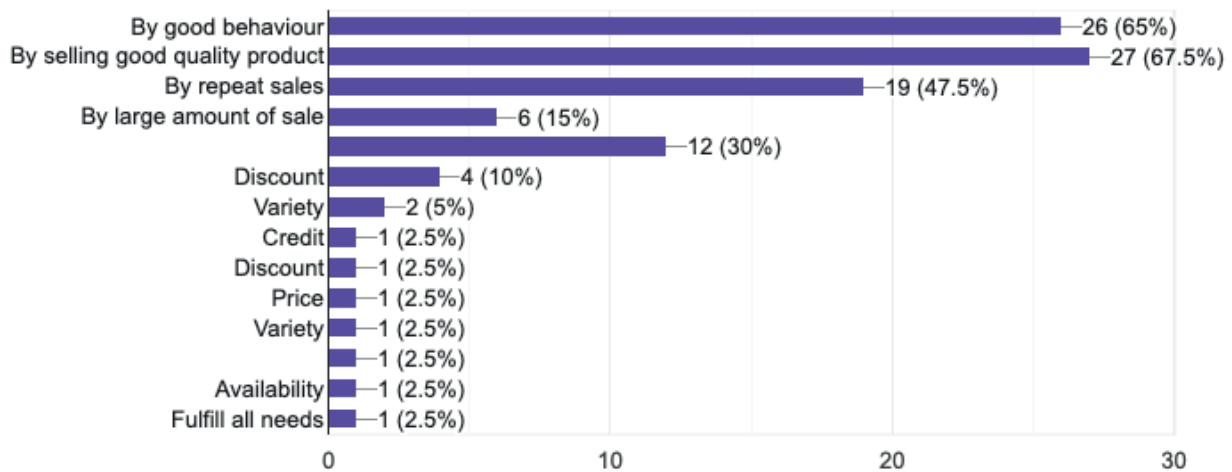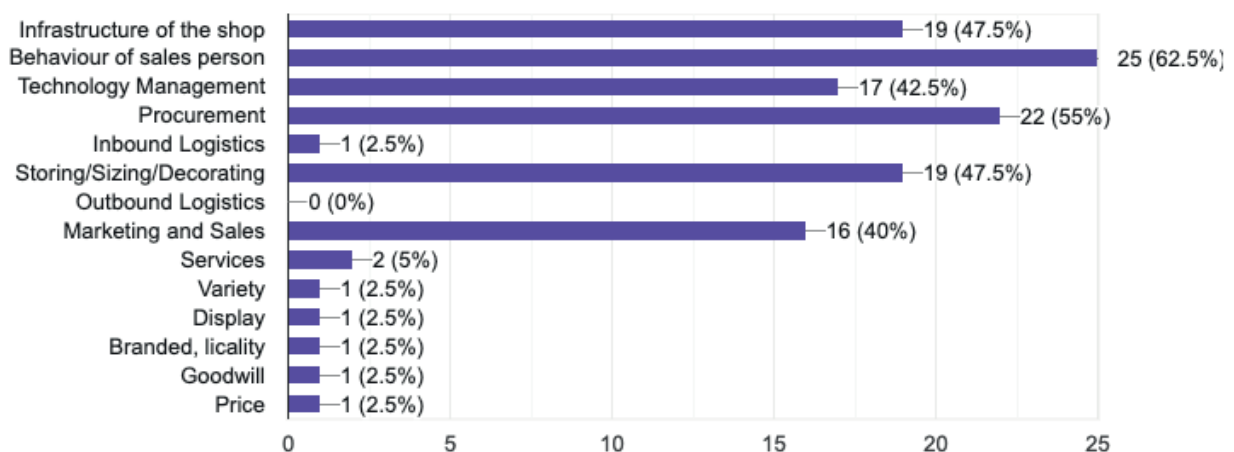

Figure 12: Delivering high-value drivers

Figure 13: Business maintaining drivers

- The behavior of salesperson,
- Goods Procurement,
- The infrastructure of the shop,
- Storing/Sizing and Decoration of production.

5. Discussion

Based on the above research and the survey data analysis, many different sales and marketing strategies could be inferred, the ownership of the shop owner is almost in all the location only in the fully residential area 'Suvidha Market' has all the owned shop, and no partnership shop is there. Out of all the sample shops, no one has a product distribution channel. In most shops, we could see that there is 60-80 % of the branded product. Also, we can infer that almost 70% of shops have a need-based product, about 50-70% of total products [14].

Also, we could see that 70% of total grocers do not have an extra storage facility. Out of the entire locality, no grocers have price controls. Only one at the 'Rampur' location has a capacity of 2-3% of control over the price. Also, we have seen the main key drivers for customer satisfaction and delivering high value to customers [15].

For the business maintenance, we have observed that most of the grocers believe that the sales person's behavior can help maintain the business, procurement, infrastructure, and Storing, sizing, decorating the shops also helps maintain the business and continues sales [16].

Also, we might conclude some of the difficulty for local small retailers that snacks and everyday needs, distributors often visit grocery stores – usually once per week or two – however the frequency of visits is not enough to avoid stock-outs, and they do not visit rural areas. Such a distribution system does not exist for agricultural goods. If certain items are out of stock, the shop owner must buy them from another retail store at the market price or spend his time and money visiting a wholesaler at a distant location. Business to business marketplace aimed at small retail outlets is evolving in response to these problems. Start-up companies that aim to revolutionize the supply chain are providing most of such services. Smartphone applications are offered free to grocery stores to handle any aspect of the operation, from order management to packing, shipping/delivery, and payment collection [17].

6. Conclusion

Meeting customer demand is the principal objective of retailers that benefit from high customer loyalty as they achieve sustainable competitive advantages. In Jabalpur city, the marketing strategies of the grocery stores vary due to variations in the position of the grocery stores. Since consumers from different locations are behaving differently as their income patterns and product tastes are different. The grocery stores set their product, prices, promotion strategies and position them differently according to consumer desires to meet customer demands. According to the study findings, the grocers consider the following issues, such as how to deliver the quality of the goods to the consumers, calculate the quality of the commodity. The grocers do not distinguish between whether or not to retain the branded goods, create good consumer relationships, advertise the goods, etc.; grocers should distinguish their location-based marketing campaigns as the custom option and preferences vary due to the difference in income level. Otherwise, they will not be able to survive in the industry for a long time, as they will not fulfill consumer requirements.

7. Limitation

This research is based on location-based; hence, the result found is bound to be true for the limited location of Jabalpur city. Also, we have seen that the marketing strategy varies from location to location, so we cannot blindly believe that the finding will be the same for the all-different location, although we can say that the whole population matches this research sample could help small retailers to get some valuable insights.

8. Future Work

Because of time and financial constraints, the research could only study marketing strategies for grocery stores. This study could be expanded in the future to other forms of Jabalpur City retailers to find out the Marketing tactics varying due to the Place variance that will help to conclude location-based marketing strategies for retailers.

Conflict of Interest

There is no conflict of interest among the authors

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