

# **Project Dissertation**

## **PROMOTIONAL STRATEGIES ADOPTED BY RETAILERS IN DELHI**

**Submitted By:**

**Pallav Sharma**

**2K13/MBA/46**

**Under the Guidance of:**

**Dr. Rajan yadav**

**Associate Professor (DSM, DTU)**



**DELHI SCHOOL OF MANAGEMENT**

**Delhi Technological University**  
**Bawana Road Delhi 110042**

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## **CERTIFICATE**

I **Dr.RajanYadav** hereby certify that **Mr.Pallav Sharma** student of Masters of Business Administration at **Delhi School of Management, Delhi Technological University** has completed the dissertation Report on “**PROMOTIONAL STRATEGIES ADOPTED BY RETAILERS IN DELHI**”, under my guidance.

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Associate Professor,  
Marketing

## **DECLARATION**

I **Pallav sharma**, hereby declare that the project report prepared by me under the guidance of **Dr.Rajan Yadav** on “**PROMOTIONAL STRATEGIES ADOPTED BY RETAILERS IN DELHI**” is an original project report and I have not copied it from anywhere. It is my own preparation.

**Pallav sharma**

2K13/MBA/46

## Acknowledgements

The satiation and euphoria that accompany the successful completion of the project would be incomplete without the mention of the people who made it possible.

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I would also like to thank all the **Retailers & their Customers** who agreed to participate in this study and cooperated full heartedly.

I owe my wholehearted thanks and appreciation to the entire staff of the company for their cooperation and assistance during the course of my project.

I also acknowledge with a deep sense of reverence, my gratitude towards my **Sister & Parents** who have always supported me morally and me throughout this project.

I hope that I can build upon the experience and knowledge that I have gained and make a valuable contribution towards this industry in coming future.

**Signature**

**Name of the Student**

**PALLAV SHARMA,**

DELHI SCHOOL OF  
MANAGEMENT (DTU)  
DELHI

## **Executive summary**

This project is of market research. It was conducted at Delhi-NCR region to find out the “Promotion strategies which various Multi-Retailers are adopting in the current aggressive competition in the market.

Now days many players have come in different verticals of retail and this has make the competition as “survival of the fittest”. They all are adopting all possible marketing moves, providing satisfied service, selling at cheap rate if required, additional services, providing more variety etc.

All this has brought the competition mainly to one differential and that is PROMOTION STARTEGIES. Promotion strategies have become main source to attract customers for these retail chains where every other thing is almost same.

Through this project I will be able to know the mindset and situation of Indian brick and mortar retail market which is facing tough war from both other same retailers and as well as from online retailers.

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## **Chapter 1: Introduction**

### **1.1 Scenario and journey of Indian retail structure**

Retailing in India is driving force of its economy. It accounts for 15 percent of its GDP. Indian retail market is estimated to be US\$ 450 billion. It is not only one of the top six retail markets in the world but also one of the fastest growing retail markets in the world, with 1.2 billion people. Till 2013, India's retailing industry was dominated by small shops. In 2011, larger convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers. India's retail and logistics industry employs about 50 million Indians.

Till 2011, Indian central government denied foreign direct investment (FDI) in multi-brand retail, foreign groups were banned from any ownership in supermarkets, convenience stores or any retail outlets. Single-brand retail was limited to 51% ownership and a bureaucratic process.

Comes November 2011, India's central government declared intention for retail reforms for both multi-brand stores and single-brand stores. These market reforms cleared the way for retail innovation and competition with multi-brand retailers such as Wal-Mart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. This also raised intense activism, both in opposition and in support of the reforms.

In January 2012, India passed reforms for single-brand stores encouraged anyone in the world to come and invest in Indian retail market with 100% ownership. But it came with condition, they imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues the hold on retail reforms for multi-brand stores.

In June 2012, IKEA announced it had applied for permission to invest \$1.9 billion in India and set up 25 retail stores.

14 September 2012, the government announced the opening of FDI in multi-brand retail, subject to approvals by individual states. The decision was welcomed by economists and the markets, but it also caused protests and an upheaval in India's central government's political coalition structure.

On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The government managed to get the approval of multi-brand retail in the parliament.

What is Retail?

**All the definitions have been taken from various internet**

Retail is the process of selling consumer goods and/or services to customers through multiple channels of distribution to earn a profit. Demand is created through diverse target markets and promotional tactics, satisfying consumers' wants and needs through a lean supply chain.

Now large percentage of retailing is done online using electronic payment and delivery via a courier or postal mail. Retailing includes attached services, such as delivery. The term "retailer" is also used where a service provider services or fulfills the needs of a large number of individuals. Shops may be on residential streets, streets with few or no houses, or in a shopping mall. Street shops can also have well build roof and infrastructure .

Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing.

(Shopping generally refers to the act of buying products) This can be done to obtain necessities such as food and clothing; also it is done as a recreational activity. Recreational shopping many times involves window shopping (just looking, not buying) and does not always result in a purchase.

Retail comes from the Old French word *tailler*, which means "to cut off, in terms of tailoring (1365). It was first recorded as a noun with the meaning of a "sale in small quantities" in 1433 (from the Middle French *retail*, "piece cut off, shred, scrap, paring"). Like in French, the word retail in both Dutch and German also refers to the sale of small quantities of items.

Types of Retail Outlets

A marketplace is a location where goods and services are exchanged. The traditional market place is a place where traders set up stalls and buyers browse the stores. This kind of market is very old, and countless such markets but are still in operation in some place of the world.



Types of retail outlets are -

A. Department store - A retailer of such store carries a variety of categories and has a broad assortment of goods at average price. They offer considerable customer service.

B. Discount store - Discount stores tend to offer a wide array of products and services, but they compete mainly on price. They offer extensive assortments of merchandise at affordable and cut-rate prices. Normally, retailers sell less fashion-oriented brands.

C. Variety store - Variety stores that sell different types of products which are not costly.

D. Mom-And-Pop - A small retail outlet owned and operated by an individual or family. Focus is on a relatively limited and selective set of products.

E. Specialty store - A specialty store has a narrow marketing focus - either specializing on specific merchandise, such as shoes or clothing, or on a target audience, such as children, tourists, or oversize women.

Size of store varies - some specialty stores might be retail giants such as Foot Locker, and The Body Shop, while others might be small, individual shops such as Nutters of Savile Row. Such stores, regardless of size, tend to have a greater depth of the specialist stock than general stores, and generally offer specialist product knowledge valued by the consumer. Pricing is usually not the priority when consumers are deciding upon a specialty store; factors such as branding image, selection choice, and purchasing assistance are seen as important. They differ from department stores and supermarkets which carry a wide range of merchandise.

F. Boutique - Boutique stores are similar to specialty stores. Boutique stores are very small in size, and only keep stock of one brand. They are run by the brand that controls them. An example of brand that distributes largely through their own widely distributed concept stores is L'OCCITANE en Provence. The limited size and offering of L'OCCITANE's stores are too small to be considered a specialty store proper.

G. General store - A general store is a rural store that supplies the main needs for the local community.

H. Convenience store - A convenience store provides limited amount of merchandise at more than average prices with a speedy services like checkout. This store is ideal for emergency and immediate purchases as it often works with extended hours, stocking every day.

I. Hypermarkets - Provides huge volumes and variety of exclusive merchandise at low margins. The operating cost is comparatively less than other retail formats.

J. Supermarket - A supermarket is a self-service store consisting mainly of grocery and limited products on non food items. They may adopt a Hi-Lo or an EDLP strategy for pricing. The supermarkets can be anywhere between 20,000 and 40,000 square feet. Example: VISHAL MEGAMART.

K. Mall - A shopping mall has a range of retail shops at a single outlet. They can include products, food and entertainment under one roof. Malls provide 7% of retail revenue in India, 10% in Vietnam, 25% in China, 28% in Indonesia, 39% in the Philippines, and 45% in Thailand.

L. Category killer" or specialist - By supplying wide assortment in a single category for lower prices a category killer retailer can "kill" that category for other retailers. For few categories, such as electronics, the products are displayed at the center of the store and sales person will be available to address customer queries and give suggestions when required. Other retail format stores are forced to reduce the prices if a category specialist retail store is present in the vicinity.

M. E-tailer - The customer can shop and order through the internet and the merchandise is dropped at the customer's doorstep or an e-tailer. Here the retailers use drop shipping technique. They accept the payment for the product but the customer receives the product

directly from the manufacturer or a wholesaler. This format is ideal for customers who do not want to travel to retail stores and are interested in home shopping. However, it is important for the customer to be wary about defective products and non secure credit card transaction. Examples include AMAZON, FLIPKART, SNAPDEAL and EBAY.

N. Vending machine - A vending machine is an automated piece of equipment wherein customers can drop the money in the machine and acquire the products. Some stores take a no-frills approach, while others are "mid-range" or "high end", depending on what income level they target.

Indian Retail facts

Indian market has high complexities and competition in terms of a wide geographic spread and different consumer preferences varying by each region. India has the highest number of outlets per person (7 per thousand) Indian retail space per capita at 2 sq ft (0.19 m2)/ person is lowest in the world Indian retail density of 6 percent is highest in the world. 1.8 million Households in India have an annual income of over ₹ 4.5 million(US\$70,650.00).

India offers a huge market opportunity given the number and increasing purchasing power of consumers but there are significant challenges as well. Over 90% of trade is conducted through independent local stores. Other challenges include: Geographically dispersed population, complex and large distribution network, little use of IT systems, limitations of mass media and existence of counterfeit goods.

A number of merger and acquisitions have begun in Indian retail market. PWC estimates the multi-brand retail market to grow to \$220 billion by 2020.

Indian Retail Group	Market Reach in 2011 and Notes
Pantaloon Retail	64 stores and 21 factory outlets in 35 cities, 2.2 million square feet space
Shoppers Stop	50 stores in 22 cities, 3.2 million square feet space

Spencer's Retail	201 stores in 44 cities, 1.1 million square feet space
Reliance Retail	707 mart and supermarkets, 20 wholesale stores in 15 cities, 508 fashion and lifestyle ₹1206 crore (US\$190 million) per month sales in 2013
Bharti Retail	73 Easy-day stores, plans to add 10.1 million square feet by 2017
Birla More	576 stores nationwide
Tata Trent	59 West-side mall stores, 13 hypermarkets
Lifestyle Retail	15 lifestyle stores, 8 home centers
Future Group	193 stores in 3 cities,[43] one of three largest supermarkets retailer in India by sales ₹916 crore (US\$140 million) per month sales in 2013

## **MARKETING STRATEGIES FOR RETAILERS**

1. Cause Marketing - Finding causes both your customers and your company care about can create magic for your business. This requires internal knowledge about what your organization cares about and who they want to help in the world. A good example of this is Toms Shoes. Instead of doing the traditional “buy one get one free” promotion, Toms built a strong customer following and reputation for giving back by giving away a free pair of shoes to someone in need for every shoe purchase made by their customers.

2. Relationship Marketing - Many companies focus on building relationships with their customers instead of always exclusive trying to sell them something (transactional marketing). Customers who love your brand more will also spend more money with your brand. Many traditional retailers have found this to be true. Walgreen's has seen that customers who buy from all of their purchasing channels (store, web, mobile, etc) buy up to six times more than the average customer that only buys in their store.

3. Transactional Marketing - Driving sales can be challenging, especially for retailers

that have to consistently sell products in high volume to consumers. In order to stay with the demands of investors, retailers have to encourage consumers to buy using coupons, discounts, liquidations, and sales events. High volume big-box retailers like Target are constantly running promotional events in order to get interested consumers into their stores.

4. Scarcity Marketing - In some markets it's important to control how much product is available at one time. In many cases this is done because of the difficulty of acquiring raw materials or higher quality of the product. A company may choose to make their products accessible to only a few customers. Rolls-Royce release of their Chinese car called Phantom sold quickly. While the cost of the car was higher than most cars the scarcity drove the desire and the price.

5. Word-of-mouth Marketing - It is the passing of information from person to person by oral communication. Customers are very excited to share with the world the brands they love. Many consumers find meaning in sharing stories of their favorite products and services. Word of Mouth is one of the ancient ways people learned about what to purchase. Modern marketers have learned how to create authentic word of mouth for their companies and the products they represent.

6. Viral Marketing - Cult Brand marketers are constantly creating new business ideas that keep their products in the heart and minds of the global consumer. Each time a new product is created, customers have to be given a reason to dream about their future purchase. Sometimes marketers of Cult Brands hit on something so great that people can't help but share with others. Getting your customers talking about your products and services is very important to growing awareness for your business.

7. Seasonal Marketing - Seasonal events offers a great way to meet new consumers. Sometimes these events can be actual changes of weather or national holidays. For a retailer like Hallmark, Valentine's Day represents a large portion of their business. By tuning into the various seasons that are important to your customers you can become

more relevant in their lives.

8. PR Marketing - One of the most important marketing strategies is public relations. Many effective marketers work with the media to bring awareness to their products and the benefits their products offer. Also, in many cases where things go wrong, a good PR marketing strategy is vital. When Apple's founder Steve Jobs was alive, Apple held a major press conference to announce every new product. This tradition is now continued by their new Apple CEO and CMO.

9. Diversity Marketing - Develop a customized marketing plan by analyzing different customer segments based on cultural differences including tastes, expectations, beliefs, world views, and specific needs.

10. Mass Marketing - Major corporations need to drive large numbers of purchasing of their products in order to survive and grow. While mass marketing may seem like a shotgun approach to marketing this is far from the truth. Big businesses spend big money in understanding big data, this gives them an insight to where to place media for their potential national customers who buy their products and services. Wal-Mart is an example of an effective mass market retailer. As the number one retailer in the world, they are very smart about their mass marketing efforts, often giving their customers a feeling of locality and warmth.

## **7P'S OF MARKETING**

### **THE MARKETING MIX 4P'S**

Simply put the Marketing Mix is a tool used by businesses and Marketers to help determine a product or brands offering. The 4 P's have been associated with the Marketing Mix since their creation by E. Jerome McCarthy in 1960.



- Product - The Product should fit the task consumers want it for, it should work and it should be what the consumers are expecting to get.
- Place – The product should be available from where your target consumer finds it easiest to shop. This may be High Street, Mail Order or the more current option via e-commerce or an online shop.
- Price – The Product should always be seen as representing good value for money. This does not necessarily mean it should be the cheapest available; one of the main tenets of the marketing concept is that customers are usually happy to pay a little more for something that works really well for them.
- Promotion – Advertising, PR, Sales Promotion, Personal Selling and, in more recent times, Social Media are all key communication tools for an organization. These tools should be used to put across the organization message to the correct audiences in

the manner they would most like to hear, whether it be informative or appealing to their emotions.

THE EXTENDED 7 P'S



- 
- People – All companies are reliant on the people who run them from front line Sales staff to the Managing Director. Having the right people is essential because they are



as much a part of your business offering as the products/services you are offering.

- Processes –The delivery of your service is usually done with the customer present so how the service is delivered is once again part of what the consumer is paying for.
- Physical Evidence – Almost all services include some physical elements even if the bulk of what the consumer is paying for is intangible. For example a hair salon would provide their client with a completed hairdo and an insurance company would give their customers some form of printed material. Even if the material is not physically printed (in the case of PDF's) they are still receiving a “physical product” by this definition.

### THE 8TH P OF THE MARKETING MIX

- Productivity & Quality - This P asks “is what you’re offering your customer a good deal?” This is less about you as a business improving your own productivity for cost management, and more about how your company passes this onto its customers.

## **1.2 CASE DETAILS**

### **PROMOTION**

There are two methods of promotion:

Product promotion: promotion method businesses use to convince consumers to select its products or services.

Institutional promotion: promotion method used to create a favorable image for a business, help it advocate for change, or take a stand on trade or community issues.

### WHY PROMOTION IS NEEDED?

Building Product Awareness – Several sales promotion techniques are highly effective in

exposing customers to products for the first time and can serve as key promotional components in the early stages of new product introduction. Additionally, as part of the effort to build product awareness, several promotion techniques possess the added advantage of capturing customer information at the time of exposure to the promotion. In this way promotion can act as an effective customer information gathering tool (i.e., sales lead generation), which can then be used as part of follow-up marketing efforts.

Creating Interest – Marketers find that promotions are very effective in creating interest in a product. In fact, creating interest is often considered the most important use of sales promotion. In the retail industry an appealing sales promotions can significantly increase customer traffic to retail outlets. Internet marketers can use similar approaches to bolster the number of website visitors. Another important way to create interest is to move customers to experience a product. Several sales promotion techniques offer the opportunity for customers to try products for free or at low cost.

Providing Information – Generally promotion techniques are designed to move customers to some action and are rarely simply informational in nature. However, some promotions do offer customers access to product information. For instance, a promotion may allow customers to try a fee-based online service for free for several days. This free access may include receiving product information via email.

Stimulating Demand – Next to building initial product awareness, the most important use of promotion is to build demand by convincing customers to make a purchase. Special promotions, especially those that lower the cost of ownership to the customer (e.g., price reduction), can be employed to stimulate sales.

Reinforcing the Brand – Once customers have made a purchase promotion can be used to both encourage additional purchasing and also as a reward for purchase loyalty. Many companies, including airlines and retail stores, reward good or “preferred” customers with special promotions, such as email “special deals” and surprise price reductions at the cash register.

Now after determining the importance of promotion in retail sector it is clear why this was chosen as topic of the study in this research. Retailers don't have much option other than spending large chunk of their budget for promotion. This has become the distinguishing point for them.

There are different promotional activities or strategies which are adopted by these retail stores. They vary from store location to store size to type of stores to demographic structure of the market.

To determine all the factors and reasons for them study was conducted on the ground level in Delhi. Areas were exclusively chosen after filtering through lot of conditions like number of competitors, type of area, income of people living in areas nearby the stores etc.

This study will help both the retailers and consumers to understand the pattern and mind set of each other, which will further help them to target, promote and choose according to market situation.

### **1.3 OBJECTIVES OF THE STUDY**

Various objectives of the study are:-

1. To know the promotion strategies being adopted by different retailers in Delhi region.
2. To find out the reasons behind adopting any specific strategies.
3. To see the current trend of various marketing strategies adopted by these retailers which help in running promotional activities.

## Chapter 2: Literature Review

This study is done to determine the mindset of Indian retailers operating in highly competitive environment like that of Delhi. It will help know how young entrepreneurs are looking at current market. How they are moving from traditional way of promotion & marketing.

Promotions are decisions about advertising, personal selling, sales promotion and publicity used to attract potential customers. Companies use promotion to inform people about their products and services and also to enhance their public image and reputation.

Adoption of formal marketing strategies is a key to success as it would entail a focused mindset in tackling the challenges of the external as well as internal environment (Charles O. Usigbe, Identifying Effective Promotion Strategies for Small Retail Business). Promotions can increase short-run cash flow, Promotional creativity and style should coincide with building and fixture creativity. Promotion can be viewed as a major component of customer service because it provides information (Angela D'Auria Stanton, Ph.D., Retail Promotional Strategy). Promotion is something which can't be done with defined rules; it depends on institution & marketing conditions of retailer. Promotion plays big role in Indian retail market like Delhi where almost every retailer provides variety of products with almost similar services, so promotion is only thing which separate customer flow from one retailer to another.

After adopting a promotional strategy retailer can't just sit with peace. There is need to continuously see how and what new strategies can be adopted, also find out methods to improve current strategy. Review success or failure of each promotion to help in developing future promotions, Test new promotions when possible (Angela D'Auria Stanton, Ph.D., Retail Promotional Strategy).

New stores need higher promotional budgets than established stores; Stores in out-of-the-way locations require higher promotional budgets than stores with heavy traffic (Angela D'Auria Stanton, Ph.D., Retail Promotional Strategy).

## Chapter 3: Research Methodology

1. Coverage of the study - The research study covers the retail shops and customers in Delhi.

2. Sources of Data - Data and information were gathered from primary source by means of field survey using structured questionnaires covering retail shops and customers on random sample basis in Delhi and from secondary published sources. Primary sources included personal interviews, questionnaires and visits to shops. While the retailers were interviewed at their shops, customers were met at shop floors and bus stops. Secondary sources included books, journals, newspapers, websites, and research studies.

3. Sample Size - Sample size was 40 retail shops and 50 customers. Separate questionnaires were prepared for the retail shopkeepers and the customers through whom the primary data was collected keeping the objectives of the study in mind.

4. Sample was collected through systematic random sampling technique.

**(Systematic random sampling** - A type of probability sampling method in which sample members from a larger population are selected according to a random starting point and a fixed, periodic interval. This interval, called the sampling interval, is calculated by dividing the population size by the desired sample size. Despite the sample population being selected in advance, systematic sampling is still thought of as being random, provided the periodic interval is determined beforehand and the starting point is random)

5. Data Analysis - Critical analysis of the data and information collected from primary sources as well as from published sources were made keeping the objectives of the study in mind.

The method used for making questionnaire was structured questionnaire, but unstructured questions were added during the time of the interview. Before making questionnaire, qualitative study was done to shortlist areas in Delhi where several Retail stores of both similar & different formats are present. This was done with objective that promotion is one of the biggest methods adopted by these retailers to bring more customers than their competitors.

After deciding the area retailers were shortlisted and questionnaire was formed. Questionnaire was designed in such a way that different promotional strategies adopted by these retailers & reasons behind adopting them could be found out.

Questions were stretched from “what kind of marketing strategies you adopt” to “what kind of promotional strategies you use”. Both the overall marketing aspect and detailed promotional aspect was tried to analyze through these questions.

Questionnaire regarding customers was short and precise. It was to determine are the promotional strategies adopted having any real time effect or not.

Questions ranging from “Have you come to shop after getting attracted by their promotional strategy” to “ Can you name any promotional strategy which have attracted you to go and shop”. This helped in finding the real situation on ground level and also to know the mindset of customers of these retailers.

The sample size was decided after interviewing retailers, and only those retailers were selected who were direct owner of their store or someone who is present there has authority to design promotional & marketing strategies for the store.

Only those people were targeted who were present in these stores and are frequent customers of these retailers. This was done because chances will be high; people who are their frequent customers would be living in nearby area of these stores.

After complete collection of data it was thoroughly analyzed for completion of different objectives of the study. Different statistical tools and software’s like SPSS and MSEXCEL was used to analyze and present the data.

Area covered was West Delhi, Central Delhi & North Delhi. Only big retail stores were targeted and small retail stores like kirana stores were kept out of this study

## Chapter 4: Data Analysis

Data analysis was done with the help of Microsoft Excel and SPSS software.

### 4.1 Data analysis (Retailers)

1.



Fig - A.1

Fig A.1 shows the level of competition a retailer faces in Delhi on an average. This then forms the base of their marketing & promotion activities. According to data generally a retailer has to face competition from 1 to 3 other retailers in an area.

2.

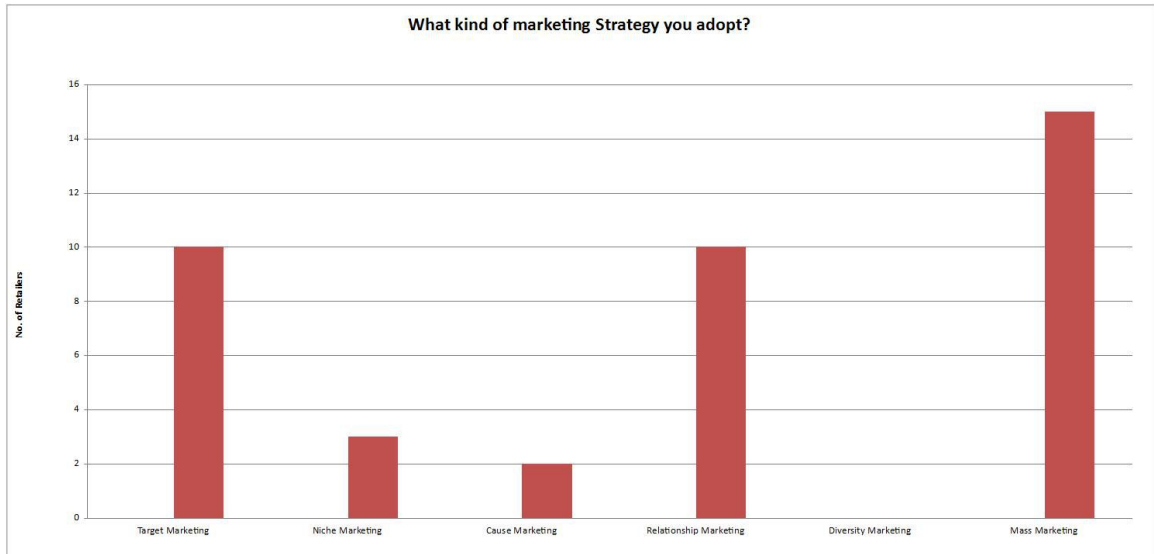


Fig -A.2

Fig-A.2 shows different marketing strategies being adopted by these retailers. The most popular strategies are Mass marketing, Target marketing & Relationship marketing. These strategies help the retailers to bring more customers and maintain a long time relationship with them.



3.

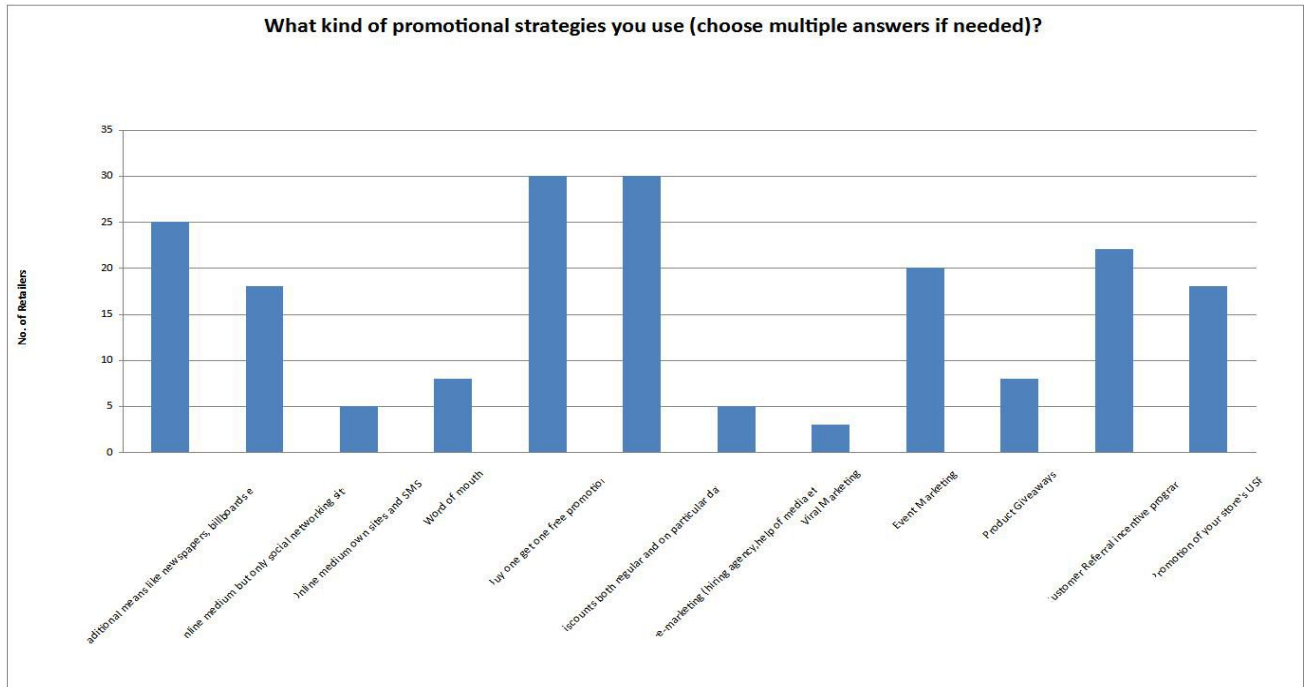


Fig- A.3

Fig-A.3 shows the different promotional strategies adopted by the retailers. Retailers don't adopt single promotional strategy but instead they adopt many different promotional strategies to tap different segments of customers. Most popular are Buy one get one free strategy & Discounts offered on particular or regular days like Big Bazaar "Sabse Saaste 3 din" i.e. most cheapest 3 days, where they sell products on cheaper rates as compared to other days to attract customers.

4.



Fig-A.4

Fig-A.4 shows whether the marketing activity adopted by retailer is successful or not. This has been determined through financial status of the store. People who have said “Yes” i.e. their store is running on profit are those who have adopted most popular strategies and people who have said “No” i.e. their store is not making profit are those who have adopted strategies like Niche marketing etc.

5.

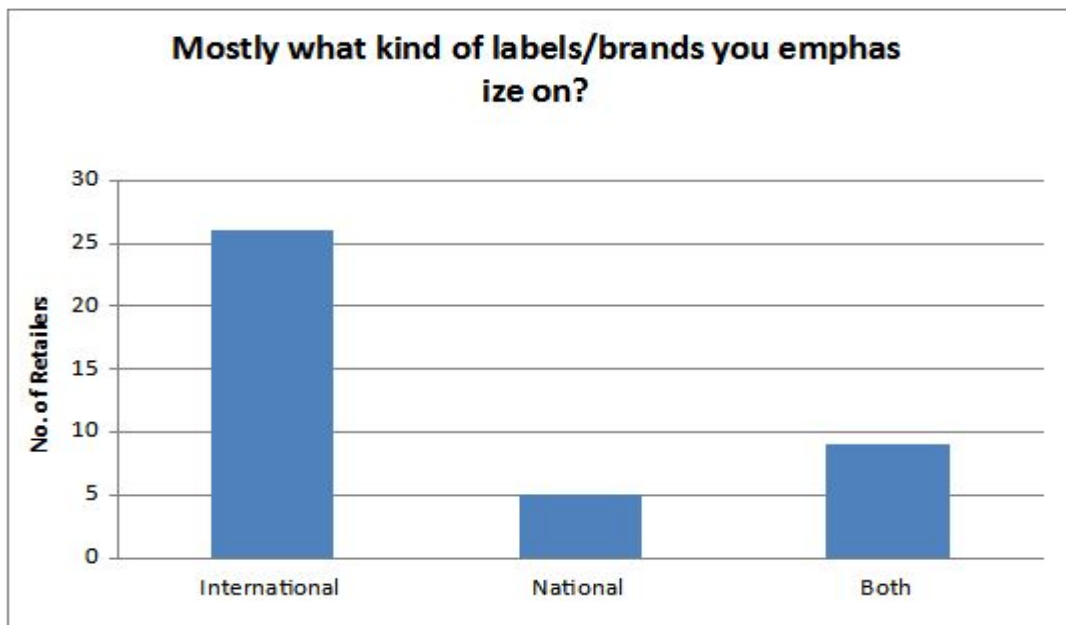


Fig-A.5

Fig-A.5 which kinds of brands do these retailers put in their store most to attract consumers. Most retailers prefer International brands or brands which are of foreign origin. Brands like Axe, Woodland, L'Oreal etc are more popular than Indian origin brands like Bata etc.

6.

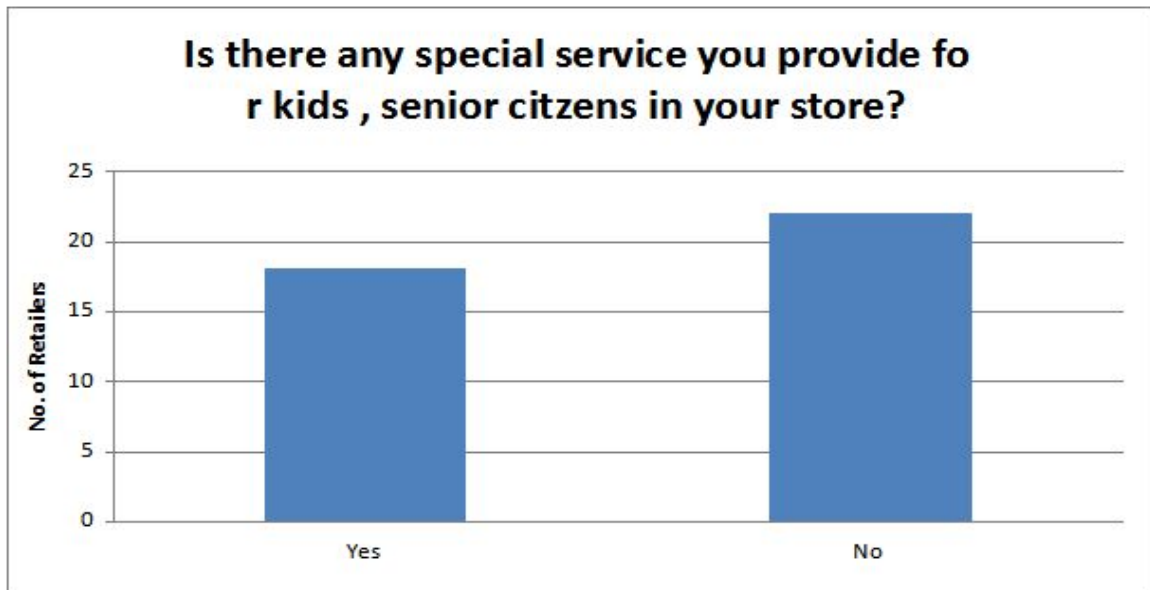


Fig-A.6

Fig-A.6 shows additional services which the retail stores adopt as kind of promotional strategy to attract consumers & whether they even adopt or not. Most retailers don't adopt this kind of additional strategy to attract consumers, these are mostly single retail stores or discount stores, convenience stores etc.

7.

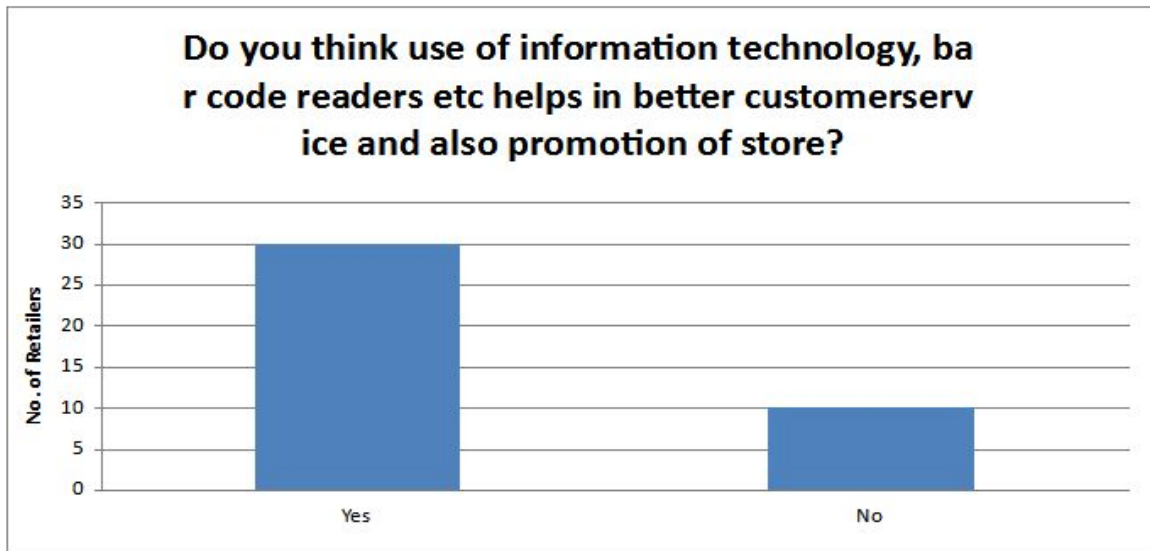


Fig-A.7

Fig-A.7 shows role of IT in promotional activity or attraction and satisfaction of consumer. 30 retailers say “Yes” IT helps and 10 retailers mostly Kirana stores said “No”.

8.

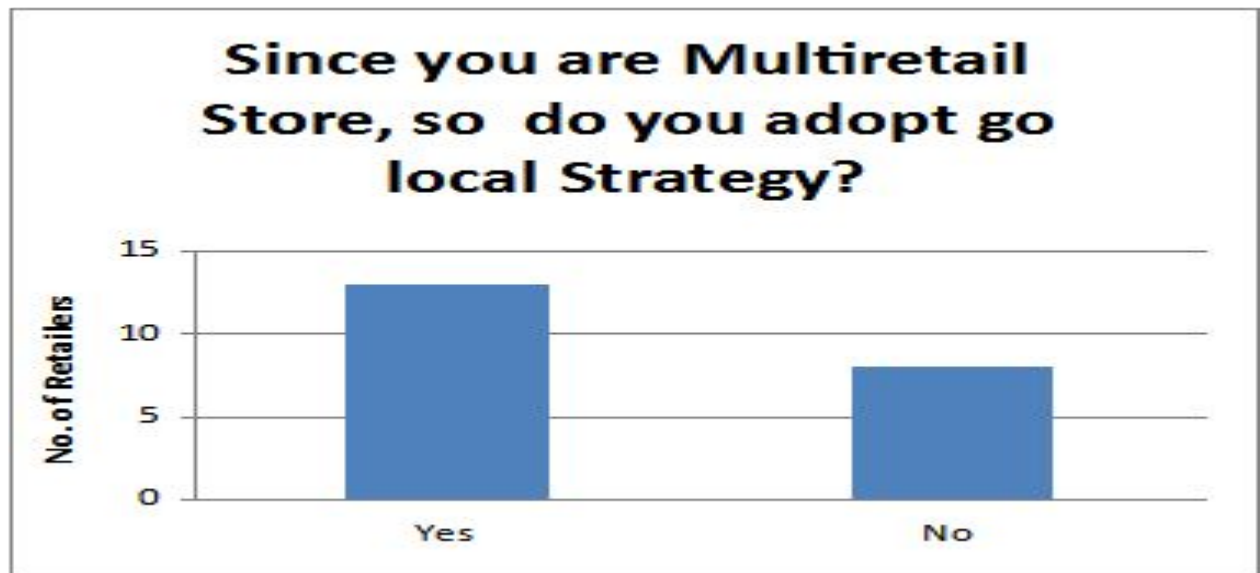


Fig-A.8

Fig-A.8 shows attitude of Multi retail stores like Big Bazaar, Easy day, Shoppers stop etc.

Go local strategy is strategy where these multi retail stores open their branches in small cities to attract consumers and made them aware about multi retail stores or organized retailing. Most multi stores have responded in “Yes” that they have opened stores in Tier 2,3 cities.

9.

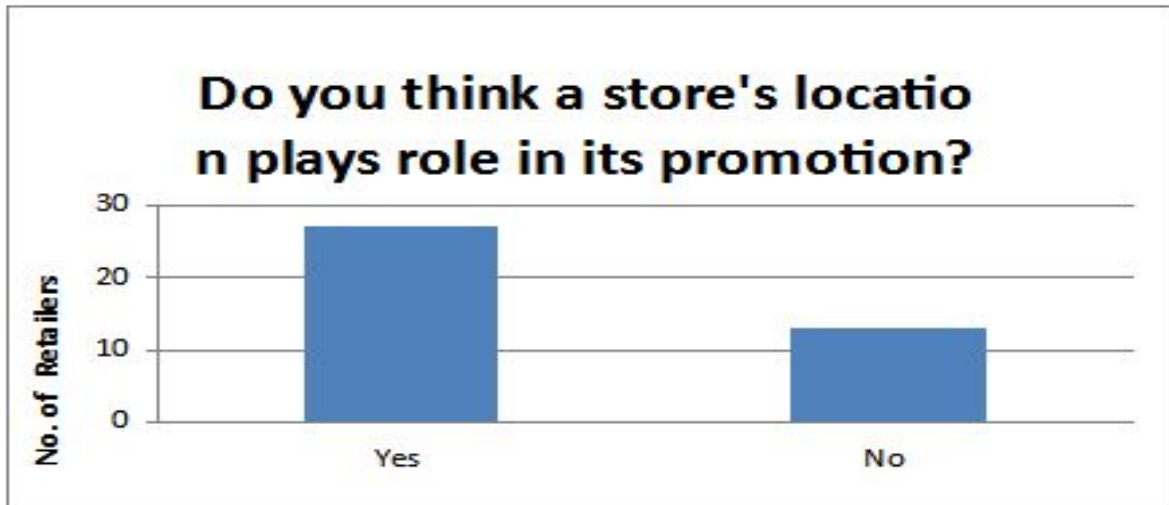


Fig-A.9

Fig-A.9 shows the importance of store location in promotional strategies according to retailers. More than 25 Retailers covered in the study said “yes”, the store location plays very important role in its promotion.

10.

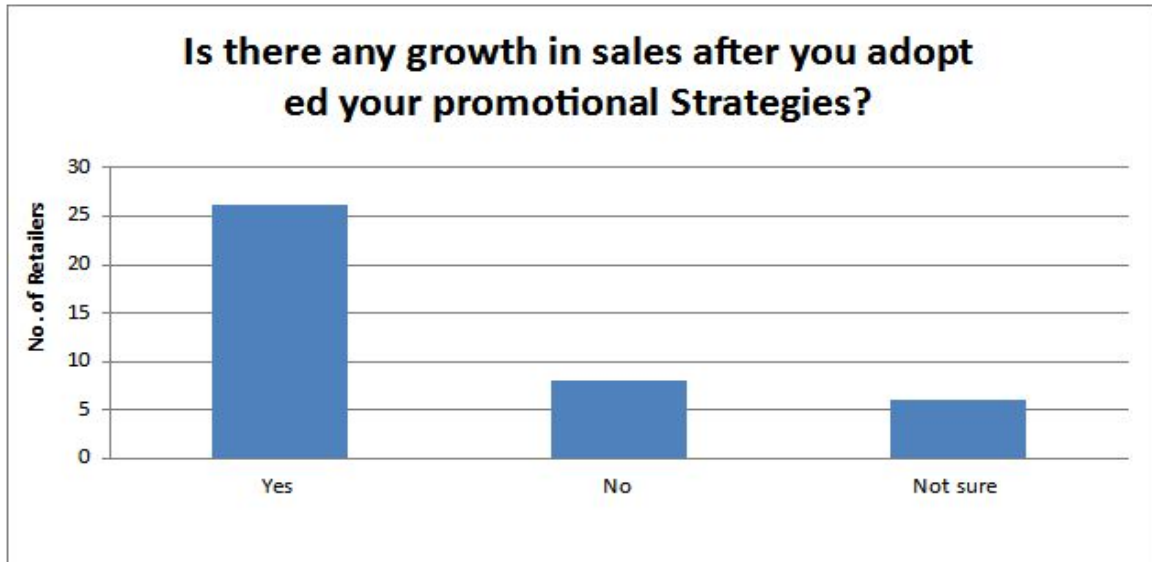


Fig-A.10

Fig-A.10 shows affect of promotional strategy in sales growth. 26 respondents who said yes are those who have adopted strategies like “buy one get one free”, “Discounts on special days” and also additional strategies like Kids section in the store to attract whole family in the store.

11.

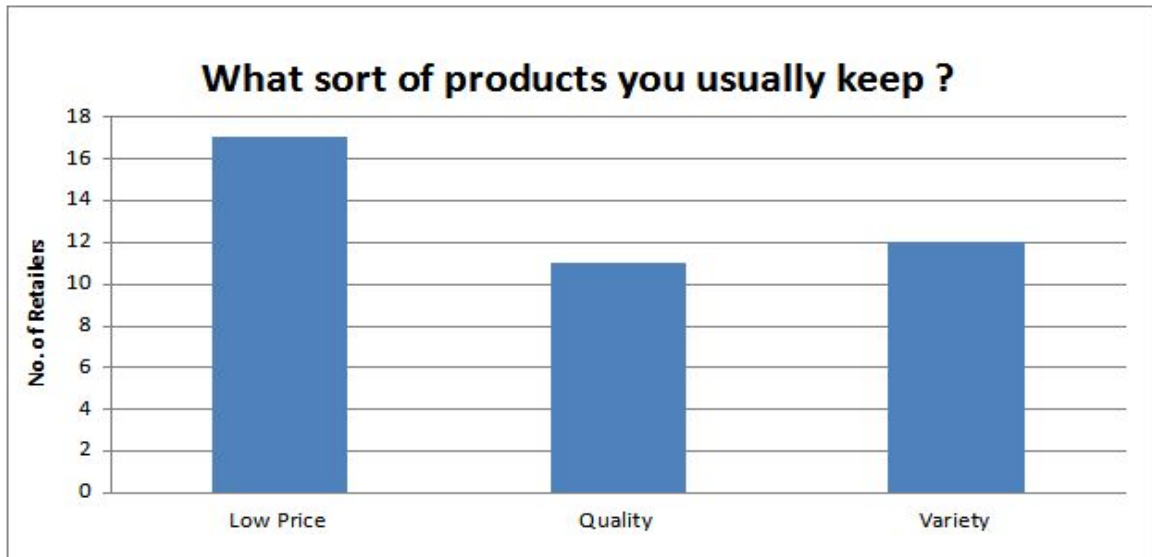


Fig-A.11

Retailers usually keep low price products to bring customers to their stores from the local stores, next choice is variety of products so that customer can choose from the lot whatever product they like. Quality products are usually kept by only multi-retail stores.

12.



Fig-A.12

Fig-A.12 shows the perception and research of retailers to what attract customers to their stores. Most retailers think their marketing strategies attract their customers followed by the services they offer.

Some other questions were also put to these retailers to further determine the points in the study. These were, have you opened stores in Tier 2, Tier 3 cities also to which majority of retailers replied “Yes”, but this majority was of multi-retail stores. Another question was have you merged or acquire your competitor? To which there was no clear response from Multi-retail stores as they were not the owners and didn't knew if they wanted to answer this question or not. Other small retail store owners mostly said “No” to this answer.

It was also tried to determine that whether the promotional strategy adopted is depended on any of the factors like Type of store, Location of store, Size of store, demographic structure of the market etc, & the large chunk of retailers in sample said “Yes” that these factors play most important role in determining the promotional strategy being adopted by them. Among these most important factors were Type of store & Location of the store.

#### 4.2 Data Analysis (Consumers)

1.



Fig – B.1

Fig- B.1 shows the method through which customers became aware about the retailer. 44% of customer came to know about the retailer through “Word of Mouth”, 32% became aware through Advertisements.



2.

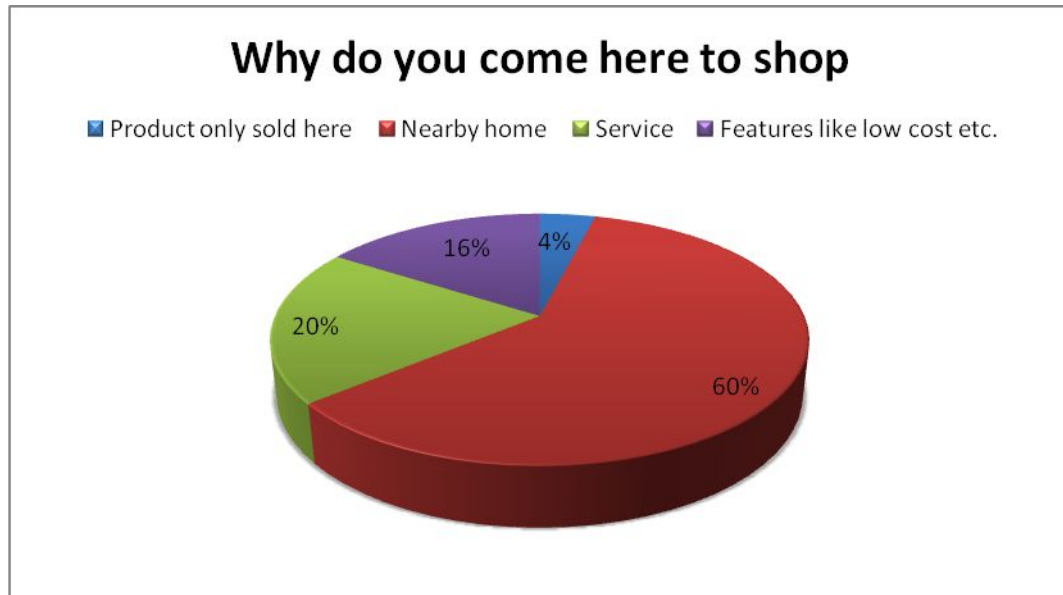


Fig – B.2

Fig – B.2 shows the reasons that customers has stated for coming to particular retail store. 60% people shop at retail shops nearby their home.

3.



Fig – B.3

Fig- B.3 shows how much satisfied customers of particular retail stores are. Mainly customers of convenience store (those living nearby the store) & supermarkets responded in “yes”.

4.



Fig – B.4

Fig- B.4 most people prefer to shop at supermarkets followed by the discount stores.

5.



Fig –B.5

Fig –B.5 shows the customer loyalty towards particular retail store. 62% of people don't mind going to other stores for buying, if the product is not available in the store they go. 38% of people are loyal customers and only shop from particular store only, these are the people who give importance to brand value and are customers of single brand retail stores.

## Chapter 5: Data Conclusion

The various conclusions which can be drawn from the study can be divided into two parts-

- a) Retailer's strategies
- b) Customer perception & Understanding

### a) Retailer's strategies-

- Retailers usually face tough competition from at least 2-3 other same retailers operating in same vicinity.
- Most of the retailers in Delhi adopt Mass Marketing, Target Marketing and Relationship Marketing as the marketing strategies to target and engage with the customers.
- 23 retailers said, Yes that there store is running in profit due to various strategies they have adopted.
- Mass marketing, Target marketing & Relationship marketing are the best strategies to work from in this highly competitive retail structure.
- Sales promotion strategy like Buy one get one free along with pricing strategy like Every day low price & customer referral incentive program are most popular & effective promotional strategies adopted by these retailers.
- Small retailers usually are depended on Word of Mouth for promotional activities, whereas big multi retail chains use both paid and unpaid form of promotion like sales promotion activities & publicity.
- Foreign or International brands are preferred by the retailers instead of keeping domestic brands merchandise.
- Most retailers don't provide any special service to old people and children as value added service, but now retailers are realizing important of these service so many have started adopting it.
- Good Marketing strategy & services are most influential factors for attracting and retaining the customers.
- Only keeping Low priced products doesn't reap any long time benefits to the

retailers as it's not a competitive advantage, it can be easily imitated. Therefore retailers should keep a mix of all the product categories i.e. Low priced products, Quality products & Variety products (depth in product line).

- Promotional activities can trigger only short term sales for any retail store but to have long term competitive advantage and brand value, other marketing efforts has to be employed by the retailers.
- Store Location is a backbone of any promotional strategy adopted by retailers. Location influences –
  - ✓ Level of competition
  - ✓ Target audience
  - ✓ Culture & Behavior of target audience
  - ✓ Pricing strategy

## B. Customers perception & Understandings

- Most customers influence other people about the retail store by giving those reviews about service, products, ambience etc.
- Negative reviews can make retail store lose a potential customer forever.
- Direct interaction, social media etc plays huge role in delivering reviews in the community.
- Supermarkets are most preferable place for the people to go and shop in. They provide benefit of one shop store for the consumers. Besides this there are additional benefits like ample parking space, special facilities for disabled etc.
- Customers prefer to shop in stores which are nearby their homes, as it gives them advantage of free home delivery, time saving etc.
- People also get influence to shop in particular store if the store is doing aggressive promotion.
- Customers prefer better services & product availability rather than discounts and free coupons.

### **Limitations of the study**

Although study was conducted with full fairness and transparency & un-biasness, there were still some shortcomings left. These were –

- Study was restricted to Delhi only
- Sample size taken for this study is small
- Customers although were interviewed independently but the interview was conducted at retail store only.
- Retail stores visited are less in number to make constructive claim.

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## ANNEXURES

### 1. Questionnaire (Retailers)

#### QUESTIONNAIRE TO DETERMINE PROMOTION STRATEGIES USED BY INDIAN MULTI RETAIL STORES

QUES1. WHAT KIND OF STORE DO YOU HAVE?

- A. DEPARTMENT STORE
- B. DISCOUNT STORE
- C. VARIETY STORE
- D. MOM-AND-POP
- E. SPECIALTY STORE
- F. CONVENIENCE STORE
- G. SUPERMARKET

QUES 2. WHERE IS YOUR STORE LOCATED?

- A. NORTH DELHI
- B. SOUTH DELHI
- C. WEST DELHI
- D. EAST DELHI

QUES 3. ARE THERE SIMILAR STORES NEARBY YOUR VICINITY THAT ARE YOUR MAIN COMPETITORS? IF YES THEN HOW MANY?

- A. 1
- B. 2
- C. 3
- D. 4 OR MORE

QUES 4. WHAT KIND OF MARKETING STRATEGY YOU ADOPT?

- A. TARGET MARKETING
- B. NICHE MARKETING
- C. CAUSE MARKETING
- D. RELATIONSHIP MARKETING
- E. DIVERSITY MARKETING
- F. MASS MARKETING

QUES 5. IS YOUR STORE RUNNING IN PROFIT

- A. YES
- B. NO

QUES 6. WHAT KIND OF PROMOTIONAL STRATEGIES YOU USE? (CHOOSE MULTIPLE ANSWERS IF NEEDED)

- A. TRADITIONAL MEANS LIKE NEWSPAPERS, BILLBOARDS ETC
- B. ONLINE MEDIUM BUT ONLY SOCIAL NETWORKING SITES, SMS'S



- C. ONLINE MEDIUM, OWN SITE + SOCIAL SITES, SMS'S
- D. WORD OF MOUTH
- E. BUY ONE GET ONE FREE PROMOTION
- F. DISCOUNTS BOTH REGULAR & ON PARTICULAR DAYS
- G. PR MARKETING (HIRING AGENCY, HELP OF MEDIA ETC)
- H. VIRAL MARKETING
- I. EVENT MARKETING
- J. PRODUCT GIVEAWAYS
- K. CUSTOMER REFRRAL INCENTIVE PROGRAM
- L. PROMOTION OF YOUR USP

QUES 7. WHAT KIND OF LABLES/BRANDS DO YOU EMPHASIZE ON MORE?

- A. FORIEGN
- B. LOCAL
- C. SELF MADE
- D. BOTH PRIVATE & LOCAL

QUES 8. IS THERE ANY PRODUCT/SPECIAL BRAND WHICH YOU USE AS YOUR STORE USP?

- A. YES
- B. NO

QUES 9. IF YES THEN SPECIFY

QUES 10. IS THERE ANY SPECIAL SERVICE YOU PROVIDE FOR KIDS, SENIOR CITIZENS IN YOUR STORE?

- A. YES
- B. NO

QUES 11. IF YES THEN WHAT?

- A. A. KIDS PLAYING SECTION
- B. SPECIAL LINE FOR SENIOR CITIZENS
- C. DISCOUNTS FOR SENIOR CITIZENS

QUES 12. DO YOU THINK LOCATION OF STORE HELPS IN ITS PROMOTION?

- A. YES
- B. NO

QUES 13. IF YOU ARE MULTIRETAIL STORE, THEN DO YOU ADOPT GO-LOCAL STRATEGY? (USE LOCALIZATION STRATEGY AS A STRATEGY IN ORDER TO ATTRACT THE LOCAL CUSTOMER TOWARDS THE ORGANIZED RETAILING)

- A. YES
- B. NO

QUES 14. DO YOU HAVE STORES IN TIER 2 & TIER 3 CITIES?

- A. YES
- B. NO

QUES 15. DO YOU THINK USE OF INFORMATION TECHNOLOGY, BAR CODE READERS ETC HELPS IN BETTER CUSTOMER SERVICE & ALSO PROMOTION OF STORE?

- A. YES
- B. B. NO ONLY CUSTOMER SERVICE

QUES 16. WHAT DO YOU THINK BRINGS YOUR CUSTOMERS?

- A. SERVICE
- B. YOUR USP
- C. YOUR MARKETING STRATEGIES (TARGET MARKETING ETC)
- D. ADDITIONAL SERVICES LIKE FREE DELIVERY, KIDS SECTION

QUES 17. IS THERE ANY GROWTH IN SALES AFTER YOU ADOPTED YOUR PROMOTION STRATEGY?

- A. YES
- B. NO
- C. SOMEWHAT BUT NOT SURE OF THE REASON

QUES 18. LOW PRICE PRODUCTS, QUALITY OR VARIETY PRODUCTS?

- A. LOW PRICE
- B. QUALITY
- C. VARIETY(DOESN'T MATTER LOW OR QUALITY BUT VARIETY SHOULD BE THERE)

QUES 19. CONSOLIDATION, MERGERS AND ACQUISITIONS WHEREVER SYNERGIES ARE POSSIBLE IS GOOD FOR STORE IN PROMOTION?

- A. YES
- B. NO

QUES 20. IF YES THEN HAVE YOU DONE ANY WITH YOUR COMPETITORS?

- A. YES
- B. NO