Marketing Mix and Retail Practices Aimed for Demographics of Customers of Selected Retail Stores

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Abstract—**India is a land of increasing retail opportunities. Retailing has bright prospects, propelled by the changes taking place among the demographics of customers. In this relevance, the retailers marketing strategy takes into consideration, factors like pricing, location, brands and retail practices. The present study attempts to identify the marketing mix and to score the retail practices of selected retail stores offered to the identified set of demographics of customers.**

Index Terms—**Retail stores, Retail practices, Demographics, Marketing Mix.**

I. INTRODUCTION

Retailing is one of the largest industries in India and one of the biggest sources of employment in the country. Although the retailing industry has existed in our country for centuries, it is only in the recent past that it has witnessed such a tremendous growth. Retailing is derived from the French word 'retailier', which means, "to cut a piece off". Thus, retailing can be defined as a set of business activities that adds value to the products and services sold to the final consumers for their personal, family or household use.

The existence of the customer is integral to the existence of the retail store. The ability to understand customers is the key to developing a successful retail strategy. To be able to satisfy the customers, it is necessary to understand them in terms of their demographics, which include gender, age, race, socio-economic status and other statistics. As competition increases and the customer becomes more and more knowledgeable and demanding, the retailer needs this knowledge to stay ahead of his competitors and to build a competitive advantage. In this perspective, a retail store takes into consideration, factors like marketing mix which includes pricing, branding & location of stores and also the various retail practices that it offers to its demographics of the customers. In this backdrop, the present paper attempts to study the following objectives:

II. OBJECTIVES OF THE STUDY

1. To identify the demographics of the customers of selected retail stores.
2. To study the marketing mix offered to the identified demographics.
3. To score the retail stores for their retail practices offered to the identified demographics.

III. THE SOURCES OF DATA

For the purpose of the study a structured questionnaire was designed and the data was collected from Retailers of various selected retail stores located in the twin cities of Hyderabad and Secunderabad of Andhra Pradesh.

IV. DATA ANALYSIS

The 100 retailers selected as the sample for the purpose of the study were categorized into twelve store types for analysis as Department Stores, Hyper Markets, Footwear Outlets, Super Markets, Optical Showrooms, Electronic Stores, Food Retailers, Furniture Stores, Gifts and Novelties, Jewellery Stores, Garments Stores and Other Retail stores.

Objective 1: To identify the demographics of the customers of selected retail stores.

1.1. Gender

Table 1.1.in Appendix depicts that majority of the selected retail stores were retailing both for male and female customers.

1.2 Age

Table 1.2 in Appendix depicts that all the selected retailers considered for the study were retailing for all the age groups of customers.

1.3 Socio-Economic Status

Table 1.3 in Appendix depicts that the selected retailers for the purpose of the study had majority of the customers who belonged to the Middle class of Socio-Economic levels. The second majority of the customers belonged to Upper Middle class.

Objective 2: To study the marketing mix offered to the identified demographics

2.1 Brands Sold

As the Table 2.1 in Appendix depicts, the selected retailers of the study were on a majority selling national brands for their customers.

2.2 Pricing Strategies

The retailers of various selected store types had given their responses with regard to their Pricing Strategies, as shown in the Table 2.2 in Appendix. Majority of them followed MRP pricing strategy, whereas, Odd pricing strategy and EDLP pricing strategy were practiced only by 1 percent of them.

2.3. Location Criteria

The retailers of selected store types were asked to give preferences for considering the criteria for locating their retail stores. The Table 2.3 in Appendix it is clear that 100 percent of these retailers on the first basis opined in favor of criteria like Visitors group attraction, Security, Well connected transport, Planned Shopping area, Occupancy costs, Landlord control and Tax incentives. 50 percent of the retailers gave their next preference on location criteria for Competition factors. And the other criteria listed in the table were given the subsequent preferences, by the various retailers.

Objective 3: To score the retail stores for their retail practices offered to the identified demographics

3.1. Measuring Retail Practices (Weights)

The 100 retailers considered for the study were asked to state their retail practices, by ranking the various elements as: Usually, Sometimes and Rarely. These 100 retailers were grouped into twelve types based on their store type. Each of these selected store types were given scores for their customer practices followed, by assigning weights for their responses, as '5' for 'usually', '3' for 'sometimes' and '1' for 'rarely'. The same is shown Table 3.1 in Appendix.

3.2. Scoring the Retail Practices

From the above retail practices measured for the selected retail stores, the following are the scores assigned as shown in the Table 3.2 in Appendix. As the Mean value of the Department Stores is high among the 12 selected retail stores considered for the study, it could be concluded that the Department stores had ranked maximum score for their various retail practices offered to the customers belonging to the set of demographics.

CONCLUSIONS

Retailing is a dynamic industry which is constantly changing due to shifts in the needs of the customers and the growth of competitors. The expectations of the customers take the shape of the products, location, offerings and other elements that help the customer choose a retail store and decide on patronizing it. One of the biggest challenges for the retailers today, is to carefully plan clearly and to build a long-term relationship with the customers. Retailers also need to identify the demographics of the customers to target them and understand them. Thus, retailing is a blend of marketing mix and retail practices offered to benefit any set of demographic customers.

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APPENDIX:

Table 1.1: Gender

| Gender | Selected Retail Stores | | | | | | | | | | | | |
	Department stores	Hyper Markets	Footwear stores	Supermarkets	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
Male	0	0	0	0	0	0	0	0	0	0	9	0	9
Female	0	0	0	0	0	0	0	0	0	0	5	2	7
Male & Female	2	6	4	9	2	4	14	4	5	7	13	14	84
Total Retail stores	2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table 1.2: Age

Age	Selected Retail Stores												
	Department stores	Hyper Markets	Footwear stores	Supermarkets	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
All age groups	2	6	4	9	2	4	14	4	5	7	27	16	100
Total Retail stores	2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table 1.3: Socio-Economic Status

Socio-Economic Levels	Selected Retail Stores												
	Department stores	Hyper Markets	Footwear stores	Supermarkets	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
Very rich	0	0	2	0	0	0	1	0	0	1	3	0	7
Rich	2	2	1	8	0	3	2	0	0	0	3	5	26
Upper Middle	0	3	0	0	0	1	5	2	2	1	10	6	30
Middle	0	1	1	1	2	0	6	2	3	5	11	5	37
Total Retail stores	2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table 2.1: Brands sold

Brands	Selected Retail Stores												
	Department stores	Hyper Markets	Footwear stores	Supermarkets	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
National	0	4	2	3	2	3	14	4	5	7	23	14	81
International	2	0	2	0	0	1	0	0	0	0	4	2	11
Store	0	2	0	6	0	0	0	0	0	0	0	0	8
Total Retail stores	2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table2.2: Pricing strategies

Pricing strategies	Selected Retail Stores												
	Department stores	Hyper Markets	Footwear stores	Supermarkets	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
High	2	3	0	1	0	0	0	0	0	0	2	2	10
Low	0	1	0	3	2	4	4	3	3	1	8	8	37
Odd	0	0	1	0	0	0	0	0	0	0	0	0	1
MRP	0	2	3	4	0	0	10	1	2	6	17	6	51
EDLP	0	0	0	1	0	0	0	0	0	0	0	0	1
Total Retail stores	2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table 2.3: Location criteria

Location criteria	Selected Retail Stores												
	Department stores	Hyper Markets	Footwear stores	Supermarkets	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
Visitor group attraction	2	6	4	9	2	4	14	4	5	7	27	16	
Large local customers	0	2	2	7	1	0	0	0	0	0	0	0	
Security	2	6	4	9	2	4	14	4	5	7	27	16	
Source of entertainment	2	2	1	1	0	1	5	0	0	2	5	4	
Well connected transport	2	6	4	9	2	4	14	4	5	7	27	16	
Planned shopping area	2	6	4	9	2	4	14	4	5	7	27	16	
Parking space	2	3	1	2	0	4	1	0	0	0	4	2	
Occupancy costs	2	6	4	9	2	4	14	4	5	7	27	16	
Landlord control	2	6	4	9	2	4	14	4	5	7	27	16	
Competition factors	2	6	3	8	1	2	2	2	1	5	10	8	
Tax incentives	2	6	4	9	2	4	14	4	5	7	27	16	
Protection from weather	0	0	0	2	0	0	1	0	0	0	0	0	
Total Retail stores	2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table 3.1: Retail Practices

Retail Practices		Selected Retail Stores												
		Department stores	Hyper Markets	Footwear	Supermarket	Optical stores	Electronic Stores	Food retailers	Furniture stores	Gifts & Novelties	Jewellery stores	Garment stores	Other retail stores	Total Retail stores
Customer service	Usually	2	6	4	9	2	4	14	4	5	7	27	16	100
Customer incentives	Usually	0	0	0	7	1	0	2	0	0	0	2	0	12
	Sometimes	2	3	2	2	1	3	8	3	3	6	17	12	62
	Rarely	0	3	2	0	0	1	4	1	2	1	8	4	26
Information from customers	Usually	2	4	4	4	2	2	12	2	2	5	21	14	74
	Sometimes	0	2	0	5	0	2	2	2	3	2	6	2	26
Receive complaints	Usually	2	5	0	8	2	2	12	4	5	7	24	14	85
	Sometimes	0	1	3	1	0	2	2	1	0	0	3	2	15
Attending to customer complaints	Usually	2	6	4	9	2	3	12	4	5	7	27	14	95
	Sometimes	0	0	0	0	0	1	2	0	0	0	0	2	5
Interaction with customer	Usually	2	1	0	0	0	0	2	0	0	0	0	1	6
	Sometimes	0	5	4	8	1	4	11	4	5	7	26	15	90
	Rarely	0	0	0	1	1	0	1	0	0	0	1	0	4
Invite feed back on performance	Usually	2	1	1	0	0	0	1	0	0	0	0	0	5
	Sometimes	0	1	1	4	0	2	4	2	2	5	13	6	40
	Rarely	0	4	2	5	2	2	9	2	3	2	14	10	55
Understand customer needs	Usually	2	5	4	5	2	4	12	3	5	4	25	14	85
	Sometimes	0	1	0	3	0	0	2	1	0	3	2	1	13
	Rarely	0	0	0	1	0	0	0	0	0	0	0	1	2
Resolve customer complaints	Usually	2	6	4	8	2	3	14	0	5	7	25	16	92
	Sometimes	0	0	0	1	0	1	0	4	0	0	2	0	8
Customer contribute innovative ideas	Usually	2	1	1	0	0	0	1	0	4	0	2	1	12
	sometimes	0	4	3	9	2	4	11	0	1	6	24	15	79
	Rarely	0	1	0	0	0	0	2	4	0	1	1	0	9
Encourage customers to use help lines	Usually	2	1	2	5	2	1	4	0	0	0	6	4	27
	Sometimes	0	5	2	4	0	3	8	3	4	2	17	10	58
	Rarely	0	0	0	0	0	0	2	1	1	5	4	2	15
Points to customers	Usually	2	0	0	1	0	0	0	0	0	1	1	1	6
	Sometimes	0	1	0	4	0	0	1	0	0	1	3	1	11
	Rarely	0	5	4	4	2	4	13	4	5	5	23	14	83
Total Retail stores		2	6	4	9	2	4	14	4	5	7	27	16	100

Source: Questionnaire to the retailers

Table 3.2: Score for the retail practices

Selected Retail Stores	Mean	N	Std. Deviation	Std. Error of Mean	Median
Department stores	61.00	2	.000	.000	61.00
Hyper Markets	48.67	6	3.445	1.406	47.00
Footwear stores	51.00	4	3.651	1.826	51.00
Supermarkets	49.44	9	2.603	.868	51.00
Optical stores	49.00	2	2.828	2.000	49.00
Electronic Stores	47.00	4	2.828	1.414	46.00
Food retailers	48.86	14	3.880	1.037	49.00
Furniture stores	47.50	4	3.416	1.708	48.00
Gifts & Novelties	47.80	5	2.683	1.200	49.00
Jewellery stores	49.29	7	2.138	.808	49.00
Garment stores	49.00	27	3.843	.740	49.00
Other retail stores	49.00	16	3.795	.949	49.00
Total	49.14	100	3.774	.377	49.00

Source: Questionnaire to the retailers