

RETAIL MARKETING - AN EMERGING TRENDS

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Introduction

The essence of retail marketing is developing merchandise and services that satisfy specific needs of customers, and supplying them at prices that will yield profits. Thereby the concept is a philosophy, not a system of retailing or retail structure. In today's CRM landscape the old analogy comparing the rifle and shotgun approaches to message and / or offer delivery is perhaps more appropriate than ever, as more retail organizations struggle to achieve one-to-one marketing-communications with customers and prospects.

Targeting allows a retail enterprise to channel its marketing budget where there is the greatest (and fastest) possibility of Return On Investment (ROI). Retail marketing mix is the term used to describe the various elements and methods required to formulate and execute retail marketing strategy.

The mix may vary greatly according to the type of market the retailer is in, and the type of products / services.

Marketing Strategy

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage'. A marketing strategy should be centred around the key concept that customer satisfaction is the main goal.

A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing. Plans and objectives are generally tested for measurable results.

Emerging Trends in the Retail Sector

1. Power of consumption data leading to better consumer understanding and predictive modelling.
2. Traditional marketing communication model of awareness to trial to purchase has changed. Producers playing an important role; the purchase decision is moving towards influence by like-minded people, friends, social circle references & recommendations. This prompts customers to try a brand.
2. Mass customization is a large opportunity area in the garment space.
3. Co-creation of products & services as a key differentiator.
4. The store unit is the brand; creating differentiation at retail front in terms of visual merchandising, personalized services, cutting edge CRM and staff service.

5. Relevant information vis-à-vis aggressive sales pitches: what helps a customer make a buying decision: “Give me relevant information and I will decide what to buy”.
6. Power of ‘teens’ to power of ‘pre-teens’.
7. Uniqueness of design and fit are as important as the brand.
8. Play of e-commerce and technology.

Emerging Retail Trends in Brazil for 2013-14

June 24, 2013. Brazil is the darling for consumer and retail brands in Latin America’s growing consumer market, which in total is projected to comprise 661 million people with a combined GDP of \$15.14 trillion by 2025. Trends that are being set in Brazil are likely to be good indicators of what can be expected in other fast developing markets in the region.

Here, we list 12 of the most noteworthy market trends in Brazil, some of which have been ongoing but are important nonetheless.

Store Format Evolution

1. Consolidation amongst regional players - As a way to penetrate second-tier states, regional brands such as Rede Andrezza are buying smaller ones, together with their existing stores in less developed states in Brazil. In 2012, 42 mergers and acquisitions were made in the Brazilian retail segment alone.

2. Smaller store formats - With hyperinflation a thing of the past, consumers are not hoarding household essentials as they used to. Retailers are hence choosing smaller store formats. With smaller footprints, retailers are also opening more stores in more districts. Instead of a few megastores, it is now common to find stores of all brands in almost all districts with even two or more of the same brands in a single district.

3. Stores serving C-class consumers - With the emergence of a C class with stronger consumption powers, retailers are creating secondary brands to target this segment with lower-cost products and simpler store formats in specific neighborhoods.

4. All night shopping - Some large retail brands are experimenting with 24-hour service in selected districts while smaller stores close late, at 10pm or at midnight.

5. Neighbourhood stores - Smaller stores that specialize in fresh agricultural and dairy products are beginning to sell a wider variety of products, including soaps, detergents, packaged juices and food, beer and bread etc., to compete with supermarkets.

6. Acceptance of debit and credit cards - While smaller ‘mom-and-pop stores only accepted cash in the past, now even small stores are accepting cards.

Product variety

7. Imported beers - Until recently, consumer could only choose between five to 10 brands of beer in Brazilian grocery stores. Today, one can easily find over 15 brands in some of the more upmarket grocery stores.

8. Specialized personal care - From daily shampoos, soap and other basic personal hygiene products, stores are now increasing the value-add of their portfolios with specialized skin care products, hair treatment products and higher-end personal care items.

9. Fancy domestic utensils - More sophisticated kitchen gadgets are appearing on retail stores. While not especially widespread, customers are gradually buying fancier kitchen accessories.

10. Electronic goods in hypermarkets - One can easily buy mobile phones, printers and even lower-cost tablets in hypermarkets these days. While not a new trend, the volume of sales of this sector in grocery stores has really picked up in the past 10 years.

Marketing & Promotions

11. Consumer research at check-out - With escalating competition, It is common for retail store staff to ask customers during check-out for their feedback on product variety, store cleanliness, air conditioning and music etc. One of the most popular questions is “Was there a product you wanted but couldn’t find?”

12. Online promotions by consumer brands - Consumer brands from beer to household products, are more active on Facebook or Twitter, while retail brands are moving slower with online promotions, preferring door-to-door promotional leaflets.

Retail sales are expected to continue expanding in 2013. Supporting this trend are the favorable employment levels, low interest rates, and a high consumer confidence index. The increasing inflation - especially in the food sectors - has reduced the real growth of salaries, but is still not enough to change the increasing trend of growth of the Brazilian retail sector.

About Global Intelligence Alliance

Global Intelligence Alliance (GIA) is a strategic market intelligence and advisory group. GIA was formed in 1995 when a team of market intelligence specialists, management consultants, industry analysts and technology experts came together to build a powerful suite of customized solutions ranging from outsourced market monitoring services and software, to strategic analysis and advisory.

Today, we are the preferred partner for organizations seeking to understand, compete and grow in international markets. Our industry expertise and coverage of over 100 countries enables our customers to make better informed decisions worldwide.

Our friends over at POPAI have collected a list of some of the biggest trends in shopper marketing in retail environments. Xcel Product's signage materials are a part of the equation for making a desirable shopping experience, but there are other factors your signage—and your store should be ready to react to.

Showrooming

It's the terrifying new trend that retail shops especially those offering big ticket items like Best Buy's electronics dread. Many shoppers come to look, not to buy. The best way to convince them to spend more is to give them more in terms of experience and service. Patrons of Apple Stores are happy to buy there, because they're being served by friendly, helpful people in a clean, inviting environment. Compare that to wading through the aisles of a Best Buy and fighting off all the invitations to pay for unnecessary warranties.

Master the Mission

Depending on the products you offer, it may be common for customers to come to your store with a very specific goal in mind. They don't want to browse, they want to get what they need and get out. Identify these missions and make them easy—with the right signage, of course and take the opportunity to display and cross-sell related products.

Apps and E-coupons

Cheaper and easier to distribute than their paper predecessors, e-coupons are a great way to encourage digital shoppers to step in to your physical retail location. Create an app that makes their shopping experience easier and reward them for using it with digital coupons.

Those are the big new trends, but they're no reason to ignore the basics. Signage that highlights your efforts to address these trends will enhance every shopper marketing program: the values you deliver that digital stores don't, directing shoppers on a mission, and advertising the app that keeps you current.

References

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