

## **A Study on Marketing Strategies Adopted by Reliance to Push their Sales in their Retail Mall Sahakari Bhandar**

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### **ABSTRACT:**

*The Indian retail sector is going through a transformation and this emerging market is witnessing a significant change in its growth and investment pattern. In contemporary society, marketing and advertising has become an inseparable part of the everyday lives of millions of people all over the world. It is strongly believed by marketers that it has an immense manipulative power, influencing consumer beliefs, attitudes, decisions and actions through different types of media.*

*The objective of this research paper is to find out how Reliance has adopted various and aggressive marketing strategies to make consumers loyal to their brand. Sahakari Bhandar is now a Reliance retail but its brand name was not changed to Reliance Retail because people were and are very loyal to the name "Sahakari Bhandar" In this research paper, it is proved that still many consumers are unaware of the fact that Sahakari Bhandar is a Reliance retail because of their busy lifestyle and ignorance to the fact. Reliance considered this point as an opportunity and thought of playing with consumer's psychology in order to increase their profits.*

*Also it is observed from past 4 years as to how Reliance are patient and slowly and has steadily started having strong distribution network and excellent supply chain Management team and continuously like a vicious circle, implemented excellent sales promotion techniques and various marketing strategies to push their sales and enhance their market share and goodwill parallelly. It can be observed from this research paper that Reliance is slowly and steadily trying to achieve its Vision - "Karlo Duniya Mutthi Mein" It can be said that all their efforts put over these 4years have been fructified. This information is specific to Dadar (West) Sahakari Bhandar.*

**Keywords:** *Aggressive marketing, Sales Promotional Tools, Strategies.*

### **INTRODUCTION:**

The Indian Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced

industries with several players entering the market. India's Retail sector is wearing new clothes and with a three-year compounded annual growth rate of 46.64 percent, retail is the fastest growing sector in the Indian economy. Traditional markets are making way for new formats

such as departmental stores, hypermarkets, supermarkets and speciality stores. Western-styled malls have begun appearing in metros and two tier cities alike, introducing the Indian consumer to an unparalleled shopping experience. The Indian retailing sector is at an inflexion point where the growth of organized retailing and the growth in consumption by the Indian population had taken a higher growth trajectory. The retail market has created a win-win situation for suppliers, producers, retailers and consumers. The Indian retail sector is highly fragmented with 97 per cent of its business being run by unorganized retailers like the traditional family run

stores and corner stores. Organized retail however, is at a very nascent stage, though attempts are being made to increase its proportion to 9-10 per cent by the year 2010, bringing in huge opportunities for prospective new players. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10 per cent of India's GDP.

Over the past few years, retail sales in India are hovering around 33-35 per cent of GDP as compared to around 20 per cent in the US. The table gives the picture of India's retail trade as compared to the US and China.

<b>Retail Trade – India, US and China</b>				
	Trade (US \$ billion)	Employment (%)	Shops (million)	Organized Sector Share (%)
India	180-394	7	12	2-3
China	360	12	2.7	20
US	3800	12.6-16	15.3	80

Source: The Economist

## **REVIEW OF LITERATURE**

In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. Indian retail is expected to grow 25 % annually. Modern

retail in India could be worth US\$ 175-200 billion by 2016. The Food Retail Industry in India dominates the shopping basket. The Mobile phone Retail Industry in India is already a US\$ 16.7 billion business, growing at over 20 per cent per year. The future of India's Retail Industry looks promising with the growing market, with government policies becoming more

favourable and emerging technologies facilitating operations. (Dhanabhakym & Shanthi: 2007)

The Indian retail sector analysis (2006-07) report helps clients to analyze the opportunities and factors critical to the success of the retail industry in India. The author has given some key findings: a) Organized Retail will form 10% of total retailing, b) From 2006-10 the organized sector will grow at the CAGR of around 49.53%, c) Cultural and Regional differences are the biggest challenges faced by Indian retailers, d) The Hypermarket is emerging as the most favourable format for the time being in India, e) The arrival of multinationals will further push the growth of the hypermarket format, as it is the best way to compete with unorganized retailing in India (Chandrasekar: 2010: 505)

From the above literature, it is evident that there are many opportunities in the retailing sector in India. However, at the same time there are many challenges due to upgraded technology in demographical factors and other miscellaneous factors.

#### **OBJECTIVES OF RESEARCH:**

1. To find out why so many buyers are frequent visitors to Sahakari Bhandar
2. To find out why Sahakari Bhandar's name was not changed to Reliance?
3. To find out various marketing strategies and gimmicks adopted and implemented by the Reliance owned Sahakari Bhandar to push the sales of their products to the customers.

4. To find out the reasons on why many consumers are still not aware that Sahakari Bhandar is a Reliance-owned retail mall.

#### **METHOD:**

Information is collected with the help of Primary & Secondary Data.

#### **Primary Data**

1. **Interview** - Data collection is from the responses obtained by interacting and interviewing 50 customers with reference to marketing strategies & gimmicks adopted by Reliance to push their sales.
2. **Mystery Shopping:** Customers were observed for 3 years. The location was Dadar (West) Sahakari Bhandar.
3. **Survey:** Survey was conducted to find out whether customers got trapped or not in the marketing gimmick played by Sahakari Bhandar.

**Secondary Data-** is collected through the published literature like Educational Institute's journals, Newspapers, Magazines, various reference books, and Websites.

#### **Hypothesis**

1. H<sub>1</sub> - It is assumed that Sahakari Bhandar opts for strong Sales Promotion techniques to push their sales.

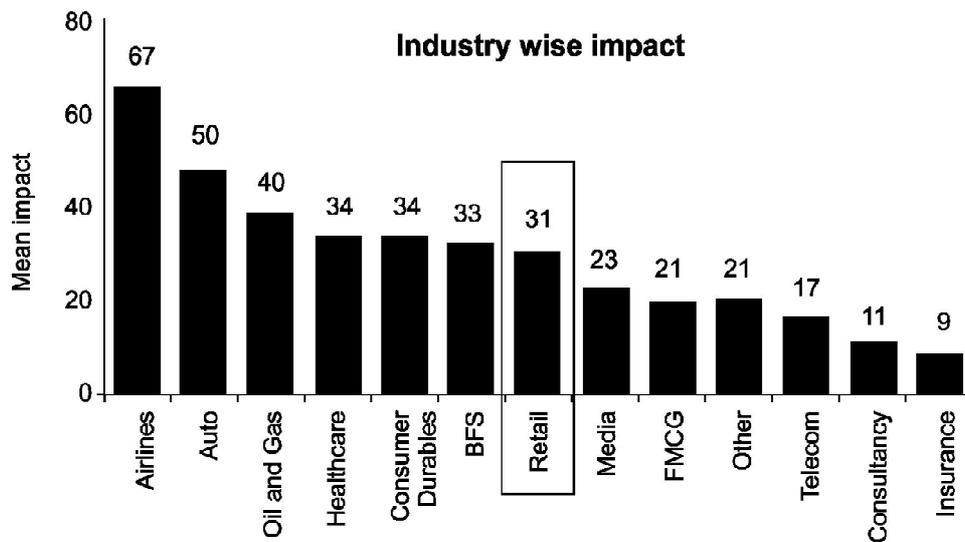
2. H2 - The consumers are not aware that Sahakari Bhandar is owned by Reliance.
3. Null Hypothesis - It is presumed that consumers, are not aware of Sahakari Bhandar owned by Reliance.
4. H3 - It is assumed that consumers from Dadar (W) likes shopping in Dadar Sahakari Bhandar

**Analysis of Retail Sector** (with ref. to reports of KPMG)

In the past few years, India’s retail journey seemed picture perfect with the most attractive ‘stops’ still unexploited and under-penetrated. Favourable demographics, steady economic growth, easy availability of credit, and large-scale real estate developments were fuelling the growth of

India’s approximately USD 25 billion organized retail market. The opportunity was there for all to see and India was the destination of choice for top global retailers. In this environment, India’s own blue chip companies like Reliance, Bharti and RPG diversified to add retail to their sector portfolio. This good time for Indian retail scenario lasted only for a few months. Then entered the global meltdown and India did not find itself completely insulated from its harsh effects. As per Cartesian survey, almost 80% key industries in India have been negatively impacted by the slowdown and retail is no exception

Also, according to survey done by KPMG (2015), almost 80% retailers believe that the current uncertainty is only near term and is likely to persist for 12-



Source: Cartesian Economic Meltdown Survey, Dec 2008  
 An impact score of 0-15 indicates low impact  
 And impact score of 16-50 indicates moderate impact  
 An impact score of >50 indicates high impact

18 months, there exists a certain degree of skepticism in achieving targets. This is clearly indicated by the Cartesian study

(2008), where 53% of retailers' confidence levels have been shaken.



Source: Cartesian Economic Meltdown Survey, Dec 2008

### Facts & Findings on Retail Sector

1. Retail Sector contributes 10% of the GDP, and is estimated to show 20% annual growth rate by the end of the decade as against the current growth rate of 8.5%. A CRISIL report says that the Indian retail market is the most fragmented in the world and that only 2% of the entire retailing business is in the organized sector. This suggests that the potential for growth is immense. There are about 300 new malls, 1500 supermarkets and 325 departmental stores currently being built in the cities across India.
2. At present, the industry is estimated to be worth more than US\$ 400 billion by a study of McKinsey.
3. The Economist Intelligence Unit (EIU) estimates the retail market in India will increase to US\$608.9 billion in 2009 from US\$394 billion in 2005.

4. KPMG Report says that the organized retail would grow at a higher rate than the GDP in the next five years.
5. The retail sector would generate employment for more than 2.5 million people by the year 2010, predicts an analysis by MaFoi Management Consultants Ltd.

### Profile of Sahakari Bhandar

Sahakari Bhandar is Mumbai's one of the most and preferred grocery store for more than 40 years. With over 22 branches strategically located across the city, it offers convenience, good quality, safety and consistent availability of products to its customers. The legacy of trust continues since 1966, serving millions of happy families. Sahakari Bhandar, although a co-operative, is an exciting blend of modern retailing with deep understanding of daily needs of their customers.

### **Why was Sahakari Bhandar's name not changed to Reliance?**

Reliance perhaps employed an intelligent branding strategy by not changing the name 'Sahakari Bhandar' to Reliance because they knew that customers were very loyal to the name Sahakari Bhandar. The brand enjoys popularity as an old trusted enterprise, reknown for good quality products at reasonable rates. It was also perhaps known that people are not that loyal to Reliance as a brand because somewhere in their mind they feel that HUL & other MNC's products are of better quality than Reliance. Hence it might be one of the management tricks played by Reliance to enhance its sales and revenue by keeping the same name.

### **Few Marketing Strategies implemented by Sahakari Bhandar to enhance their sales compared to other brands: -**

#### **Loyalty Membership Card:**

It is a program by which Sahakari Bhandar issues a Loyalty Membership Card to its customers to encourage them to shop at the store regularly.

#### **Go Green with Sahakari Bhandar**

As part of the company's corporate social responsibility (CSR) and go green initiative, Sahakari Bhandar had launched cloth bags and partnered with an NGO called RUR (Are You Recycling) to promote the use of cloth bags.

### **One Point Stop**

The products available at Sahakari Bhandar range from variety of products i.e. spices to props to hand painted diyas to eco-friendly Holi colours to eco - friendly Ganesha Idols etc. Also the ensemble display of the cloth line, cosmetics, Ice-creams, ready to make foods, stationery, Patanjali products, utensils & crockery/ tableware are all available under one roof.

### **Pricing & Positioning Strategy**

Sahakari Bhandar lives up to its positioning of 'Sahi Quality, Sahi Price!' by giving discounts on the MRP's of even the FMCG products like soaps, shampoos, oils, etc.

**For e.g.** -A brand of shampoo may cost Rs 73.86/- at Sahakari Bhandar whereas its market price would be Rs.75/- These price discounts are labeled on the shelves so that the consumers are made aware of how much he/she is saving per product!

A purchase of 2 kg Onions or Potatoes leads to a cash discount. 'Sahi Offers' like 'buy 3 get 2 free' and 'Aap ki bachat' offer, discounts on some products, to keep the inventory moving and attract the customers attention!

### **Packaging Strategy**

Packaging of all Reliance FMCG products are attractive and similar to leading competitive brands. Thus consumers involve themselves in Impulsive buying and also sometimes get

“trapped” in the packaging and unknowingly buy Reliance products because of camouflaged packaging. Reliance also has attractive packaging for its cereals, food grains and other items. E.g., Skin 123 soap is placed in the same rack as that of HUL’s Pears and the packaging is very similar to Pears.

### **Ambience**

Each of the air-conditioned outlets is spread over an area of 2200 - 5000 sq ft. They have uniformed staff, which are extremely friendly and helpful. The trolleys are arranged at the entrance and parking is available at the entrance of the store. With soft music playing in the background and an open assortment display of products, the consumers are encouraged to look and feel the products, like fruits and vegetables, food grains, FMCG products etc., making the overall shopping experience a pleasant one!

Also there is a Customer Care Centre in case they want to return the goods or goods under warranty are damaged etc.

**Hence from the above reasons Hypothesis 1 i.e. HI is proved that various marketing & sales Promotion techniques are adopted by Sahakari Bhandar to push their sales to the Customers to earn profits and enhance goodwill of their organization.**

**However, there are few Demerits of Sahakari Bhandar:**

**1. Poor inventory control** - Many a times the stock of required products are not available. It takes long time for unavailable products to be made available on the rack.

**2. Parking Experience** - There is an acute shortage of parking facilities, hence it becomes difficult for all consumers to park at the same time. This can be an inconvenient and frustrating experience to customers who come to shop at Sahakari Bhandar.

**3. Employees are not very knowledgeable-** They do not have information on many brands and their marketing strategies, and hence are not in a position to help consumers to provide them with information on certain brands, their ingredients & its use.

**4. Long queues are very irritating at the billing counters-** Huge crowd frequently leads to long queues and hence the process of purchasing products from Sahakari Bhandar is time consuming.

**5. Stock of Perishables are not refilled in the evenings**

Vegetable quality is not good in the evening, as fresh vegetables get sold out in the afternoon. Also there is no refilling done once the products are sold on the same day especially with respect to fruits & vegetables.

**DESCRIPTIVE ANALYSIS FROM SURVEY**

1. 44% Consumers do not read newspaper regularly hence were not aware of Reliance taking over Sahakari Bhandar. This statement is backed up by the article published in Business Standard on May 6, 2006, which stated “Sahakari Bhandar powered by Reliance.”
2. 78% Consumers do not read the name of Reliance at the heading of the bill because of their busy schedule and unalertness.
3. 46% Customers were not bothered about the ownership of Sahakari Bhandar by Reliance, as their only

motive was to purchase products whenever they require and satisfy their general wants.

4. 28% customers replied that because of their busy schedule, they never bothered to check the name. They only check the content they purchased and the price from the list of items purchased.

**Hence, from the above reasons H2 - Hypothesis 2 is being proved that many customers are unaware that Sahakari Bhandar has been taken over by Reliance.**

The Sahakari Bhandar (Dadar) Branch sees huge crowds of shoppers and their involvement in Impulsive Buying due to:

**Following comments are based on Mystery Shopping done over the last 3 years.**

<b>Reason</b>	<b>Percentage</b>
Availability of almost all popular items under one roof (i.e. from food to clothing to utensils to stationery to Festival products to eco-friendly Ganesha Idols)	<b>68%</b>
Availability of Trolleys & baskets which are not usually available in kirana stores.	<b>45%</b>
Attractive Display ie. Aam Mahotsav, IPL Mumbai Indian Props, etc.	<b>74%</b>
Excellent Sales Promotions and discounts/offers	<b>88%</b>
Affordable/Reasonable prices	<b>56%</b>
Comfort & Convenience in shopping due to excellent Infrastructure & Airconditioning	<b>89%</b>
Strengthened Supply chain network.	<b>68%</b>
Customer gets incentives in the form of points & discounts in their Loyalty Membership Card.	<b>52%</b>

1. Availability of almost all popular items under one roof (i.e. from food to clothing to utensils to stationery to Festival products to eco-friendly Ganesha Idols)
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3. Comfort & Convenience in shopping due to excellent Infrastructure & Airconditioning
4. Strengthened Supply chain network.
5. Customer gets incentives in the form of points & discounts in their Loyalty Membership Card.

**The above reasons along with data proved the third hypothesis i.e. maximum people like shopping in retail malls.**

**Data Analysis & Interpretation:**

**Primary Data:**

**1. How long have you been a customer of Sahakari Bhandar?**

This question was asked to determine how long each participant has been purchasing at Sahakari Bhandar

Category	Number (N=50)	Percentage of Respondents
Less than a Year	11	22%
1-2 years	12	24%
2-4 years	18	36%
4 years or more	09	18%
Total	50	100%

**2. How often do you shop at this store?**

This question was asked to determine the frequency of customers visiting Sahakari Bhandar

Category	Number (N=50)	Percentage of Respondents
Daily	8	16%
Weekly	19	38%
Fortnightly	14	28%
Once a Month	09	18%
Total	50	100%

**3. What do you mainly prefer for shopping at this store?**

This question was asked to determine the customer’s preference in buying at Sahakari Bhandar

Category	Number (N=50)	Percentage of Respondents
Quality	23	46%
Service	15	30%
Price	07	14%
One stop shop	05	10%
Total	50	100%

**4. Does Sahakari Bhandar sets the standard for excellence in the retail industry?**

This question was asked to determine what customers think about Sahakari Bhandar as a whole.

Category	Number (N=50)	Percentage of Respondents
Completely Agree	09	18%
Agree	28	56%
Neutral	05	10%
Disagree	08	16%
Total	50	100%

**5. What does the phrase ‘Customer Loyalty’ mean to you?**

Category	Number (N=50)	Percentage of Respondents
Repeated Visits	21	42%
Exceeded Expectations	16	32%
Word of Mouth	05	10%
My place of Purchase	08	16%
Total	50	100%

**1. If you have the loyalty card, is there any chance to increase your frequency of purchase?**

Category	Number (N=50)	Percentage of Respondents
Yes I would	11	22%
No I don't think so	23	46%
I am not attracted by cards	16	32%
Total	50	100%

**CONCLUSION:**

1. It is concluded that the Association of Sahakari Bhandar with corporate name Reliance has minimum impact on the consumers decision for shopping at Reliance owned Sahakari Bhandar.
2. The Gimmick & the promotional strategies played by Sahakari Bhandar has increased the footfalls of the consumers.
3. It is proved from the survey that consumers like shopping at Sahakari Bhandar as compared to any other super market in Dadar (W).

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