Challenges & Opportunities for local retailers in perspective of the presence of Big box retailers: A Case study of Shreeji Super Market in DurgBhilai Chhattisgarh

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Abstract—Durg-Bhilai the city of aspirations, popularly known as the twin city of Chhattisgarh with a population of over 10 lacs is not only acclaimed as the Educational Hub of Chhattisgarh but has also attracted many big box retailers like D Mart, Big Bazaar & Vishal Megamart. The market here has become competitive due to the arrival of these Big box retailers. The additional competition by E-tailers like Flipkart & Amazon has intensified the competition making the business really difficult for retailers. Few Super Markets have shut down their operation in the city due to rising operating costs and shrinking profits. Traditional retailers are also facing the same situation and many of them are on the verge of shutting down their business. In the present preparation of the Case study of Shreeji Super Bazaar, a sample of 127 customers has been taken and interview methodology has been adopted. The performance of the store despite the odds it is facing is one of the key areas of study. The findings could be of some value to other such stores that are faltering under the weight of the bigger players in the market.

Keywords: Retail, Super Market, Marketing Strategy

I. INTRODUCTION

Semi Urban cities are the emerging markets in the Indian economy, with rising urbanization these cities like Durg & Bilai are attracting the big box retailers like D Mart, Big Bazaar & Vishal Mega Mart. In addition to that there are around 14 super bazaars operating in this 10 lacs populated twin city despite the proliferation of several traditional retailers, E tailers. The outcome of this trend has little effect on the semi urban markets. Retail sales being end stage of any economic activity is presently growing very fast. Retail occupies a remarkable place in the world economy. (Mundhe, 2017) Super bazaars have large array of food products, groceries, fruits, vegetables, meat, confectionery and dairy products. They are extensive forms of traditional grocery stores. They are self-service stores and have wider range than traditional grocery stores. In super bazaars, consumers usually shop by placing their selected products in baskets & Trolleys and pay for the products at the check-outs. Super bazaar provides facilities like comfortable space, clean floor, air-conditioning and free parking lots (A Pilot Study for Business Intelligence to Improve the Decision Making in Super, 2015) Super bazaars are one of the booming business format of retail sector especially in semi urban cities like Durg Bilai where there is a sound number of literate and service class population The impact of globalization
and liberalization could be felt in the Indian economy after 1991 when India opened its doors for the world trade and also attracted many foreign investors. India became the center stage after China for FDI’s due to the ease of doing business. India improved and the confidence building measures and initiatives taken by the government brought in a sizeable flow of foreign funds. The Impact of this could be felt in the sustained growth of GDP as a result of which millions of people crossed the poverty line. The Income of the various categories of people improved which gave a significant boost to many areas like infrastructures, metals, pharmaceuticals, FMCG, automobiles and textiles.

The constant inflow of capital into the markets resulted in the proliferation of newer business models prominently among which were the malls and super bazaars. With the passage of time, the growth story continues in the economy. Educated population has now gained deep pockets and have a higher disposable income. These modern retail formats have thereby given contribution by adding to the shopping experience. In addition to this customer can now have access to products and brand details which were not possible in traditional purchase. 4G revolution by Reliance Jio and Digital India are the factors that has not only boosted the country’s economy by its internet coverage but has also synergized the E Tailers like Amazon & Flipkaret to penetrate the market by their aggressive deep discounting strategy, shopping festivals and daily deals.

In the current competitive market competition has become intense as it can penetrate any economy through multiple axis.

II. CASE STUDY OF SHREEJI SUPER BAZAAR IN DURG BHILAI CHHATTISGARH: HISTORY & PROFILE

Almost all the Super Market owners in Bhilai Durg started their operations as a traditional retailer, after gaining experience in traditional retail and with rapid urbanization a phase of transition came after the nineties when they ventured into the area of super bazaar. In the year 2009-10 Mr. Rupesh Maroo the owner of Shreeji super bazaar started his store in Nehru Nagar. After gaining experience from the sales of general merchandise and through Swadeshi marketing. The Store became a popular one in the vicinity. Nehru Nagar is one of the poshest area of Durg Bhilai and there are around 3000-4000 families who stay in the radius of 5 km from here.

Research Methodology: A Sample of 127 customers have been taken from the store and they were interviewed along with the owners and staff of the store and simultaneous questionnaire has been filled to gather information about the customer’s store experience. Convenience sampling method has been followed to collect the data and on the basis of this we have prepared this case study. This Case study, the researchers believe would help struggling store owners to improve their profitability if they take cue from it.

III. MAJOR FINDINGS OF THE RESEARCH STUDY THROUGH PERSONAL INTERVIEW AND RESEARCHED DATA

1. More than 95% of the customers researched were satisfied by the store experience and out of this 20% customers were students.

2. Philosophy of the Store: The Owner truly believes that sense of ownership is one of the crucial factors to improve the store and transferring the ownership to all the employees is the philosophy of their store and if the profit improves they will also gain in the same fashion. No sales target is assigned to the sales work force. Store performance and incentives are transparent to all employees.

3. Operating cost is one of the major challenges that the store has faced. Presently the store is on rent and the operating expenses include staff expenses, electricity cost and maintenance cost. All this accrues to
sizeable amount. Competition from the nearby super bazaars, Di mart, Big Bazaar, and e-tailers are also major challenges that the store is facing.

4. **Advertisement & Promotion:** The expenses incurred by the store in advertisement is negligible as they feel that any cost incurred on advertising can be passed on to the customers in the form of discounts and gifts. They generally believe that Buzz marketing or word of mouth plays a significant role in winning the confidence of the customer.

5. **Discounting in the Store:** The Store doesn’t directly mention the discount that is offered on the products but instead mentions the discounts directly in the bills.

6. **Courteous & Friendly staff:** The behavior of sales and support staff plays a vital role in the overall satisfaction of the customer and hence improves profitability and sales in the business.

### IV. Strategies Followed by Shreeji Super Market to Improve Profitability & Sales

1. **Focusing on Tax Free Goods:** The Store personally believes there is a good profit margin between loose food grains and packaged food grains and if one focuses on providing quality then the quality attracts others for additional purchase.

2. **Local Vender Purchase:** Spices is one of the commodities that is generally sought after food grains and because there is a significant difference in pricing between the branded ones with the locally supplied ones, people usually buy the products which do not sell under any significant brand name. If the quality is up to their expectations.

3. **Loyalty Programs:** The Loyalty programs included in their store is Swabhiman loyalty card scheme where the registration fees of Rs 50 is charged to get registered and if one’s purchases reaches Rs 3,000 per month they get a direct discount of 4% on each and every item. After continuous purchase of 12 months of value Rs 3,000, the customer gets an additional discount in the form of Rs 3000 value of purchase free of cost on the 13th month. In this scheme the overall discount that the customer avails come to 15-18%. At present, the store has around 90 customers who are using Swabhimaan loyalty cards and they have set a target of 500 customers by 2021. The owner himself and the salesforce also educate the customers regarding the new products, schemes and benefits they will get while shopping at Shreeji Super Bazaar.

4. **The Policy of not spending on Advertisement & Promotions:** helps the store to save a sizeable amount which they pass on to the customer. However, social media like WhatsApp, smses are resorted to acquaint the customer of the arrival of new products or prevalent discount.

5. **After Sales service/ complaints& redressal:** The Store has earned a name for itself by its policy of swift redressal of customers’ complaints. Many thorny situations which would have distanced the customer permanently were swiftly resolved thereby winning the customers confidence.

6. **Staff Selection:** Generally, the recruitments are mostly female, the staff is experienced as the owners feel that the women employees are more honest and proficient in their work and are smart enough to handle any client's grievance. They work with team spirit and customer satisfaction is the ultimate goal of every sales person.
V. SUGGESTION TO THE STORE TO IMPROVE THE PROFITABILITY & SALES OF THE STORE

1. **Transparency on the display of Product prices**: There is a discount in the store but it is displayed in the bills. Customers are attracted towards the discount displayed on products rather than its mentioning on the bills.

2. **Amazon & Flipkart like shopping festivals**: Shopping festivals organized by Flipkart & Amazon can be replicated in the store based on product categories. Some categories of products can be discounted based on their purchase and negotiations from the distributors.

3. **Lucky Draw & Coupons**: In order to improve sales lucky draws and food coupons can be distributed on minimum purchases which will increase the sales and profitability.

4. **Effective Lighting in the store**: The Lighting and designing of the store can be improved, as the store falls under display marketing so lighting plays an important role specially in the evening hours when customer approaches the market place for shopping and dull light demotivates the customer in spending lesser time in the store.

5. **Approaching the Students Customers**: In our present research study we found there were 20% students who were staying nearby the stores, this segment can be targeted by customize stationery products and daily need products packages since they are required in small quantities and hence can serve this group profitably.

REFERENCES