

Caselet no. 02: Purandar Super Market.

'Purandar' super market is one the famous and huge super market in Kolhapur as well as western Maharashtra. The super market started functioning on 2001 and in very short span it has earned good name in Kolhapur and vicinity especially amongst middle income group.

Objective behind launching this super market was to give high quality service at low cost. Bazaar invests more capital in new type of technology and in arrangement. They use a Barcode technique for Billing and new types of metals racks.

The Super Market is spread over an area of 5400 sq.ft. divided into 3 divisions viz., Office – 400 sq.ft, Godown – 3000 sq.ft. and Shop – 2000 sq.ft.

The Shop space is distributed as per the product category viz. Grocery, F.M.C.G., Ladies wear, Sanitation, Ready to eat food, Plastic articles, Stationery, Cosmetics, Gift, Utensils and Counter. Existing customers are very impressed with the current layout of bazaar.

31 employees are working in market including 13 sales personnel for assistance to customers.

To lure the customers, especially middle income group market has offered following schemes:

1. On purchase worth of Rs. 1799 goods, get T shirt free worth Rs. 150
2. On purchase worth Rs 899 goods, get handkerchief set free worth Rs. 56.
3. On the purchase worth Rs. 1799 goods, get Bowl set free worth Rs. 150
4. On purchases worth Rs. 899 goods, get Bowl set free worth Rs. 55.

These and such schemes are floated time and again as per the requirements without any periodicity.

The 'Haldikumkum' function arranged is one pious occasion which leads to increase in foot falls of customers by 70% leading to purchase of merchandise mostly triggered by free coupons distributed on occasion worth Rs. 10. Last two years market is organizing rice festival which receives overwhelming response.

Looking towards the current scenario in Indian retail industry. Management of 'Purandar' super market wishes to expand their wings. The market development plan includes setting up chain of markets to other districts in western Maharashtra, selected taluka places and villages having population more than 30000 individuals.

Management of Purandar Super market needs your guidance for framing marketing strategies.

Annexure 01:

Retailing in India is the largest employer after agriculture. It employs almost 7% of the total work force in India and has a contribution of 14% to the national GDP. In the year 2004, the size of Indian organized retail industry was Rs 28000 Crore, which was only 3% of the total retailing market. Organized retailing is projected to grow at the rate of 25%-30% p.a. and is estimated to reach an astounding Rs 1, 00,000 Crore by 2010. The contribution of organized retail is expected to rise from 3% to 9% by the end of the decade.

Though with a population of a billion and a middle class of 300 million (upper middle class= 40, Middle class =150 & lower middle class = 110), organized retailing is still at its infancy in India. The great Indian middle class is estimated to grow to over 60 Crore by 2010 making India one of the largest consumer markets of the world. It is projected that by the year 2010, 65% of the Indian population will be in the age group of 10-49

years, which makes the scenario even more attractive. India has the largest retail network with 1.2 Crore outlets but only 4% of them are larger than 500 sq. ft. in size. USA on the other hand has 9 Lakh outlets catering to more than 13 times the total retail market size of India. Thus India has the highest number of outlets per capita in the world with a widely spread retail network but with the lowest per capita retail space (@ 2 sq.ft. per person). AT Kearney has ranked India as the 2nd most attractive retail market after Russia, in its Global Retail Development Index 2004 report.

Retailing, one of the largest sectors in the global economy, is going through a transition phase in India. For a long time, the corner grocery store was the only choice available to the consumer, especially in the urban areas. This is slowly giving way to international formats of retailing.

Annexure 02:

Few of India's top retailers are:

1. Big Bazaar-Pantaloon: Big Bazaar, a division of Pantaloon Retail (India) Ltd is already India's biggest retailer. In the year 2003-04, it had revenue of Rs 658.31 crores & by 2010; it is targeting revenue of Rs 8,800 Crore.
2. Food World: Food World in India is an alliance between the RPG group in India with Dairy Farm International of the Jardine Matheson Group.
3. Trinethra : It is a supermarket chain that has predominant presence in the southern state of Andhra Pradesh. Their turnover was Rs 78.8 Crore for the year 2002-03.
4. Apna Bazaar: It is a Rs 140-crore consumer co-operative society with a customer base of over 12 lakh, plans to cater to an upwardly mobile urban population.
5. Margin Free: It is a Kerala based discount store, which is uniformly spread across 240 Margin Free franchisees in Kerala, Tamil Nadu and Karnataka.