MARKETING MANAGEMENT

UNIT-3 PART-III

2) Super Markets

Supermarkets are self-service stores that sell a wide range of food as well as non-food products. supermarkets have at least four basic departments such as self-service grocery, dairy produce, meat, and household department.

These stores can be either entirely operated by owners or they are given on lease to others to operate.

Features of supermarkets

1. Goods are displayed in bulk.
2. Supermarkets are located in nearby housing areas so that people have easy access.
3. These stores offer a wide range of products, low prices, nationally advertised brands, and also convenient parking.
4. It follows the "cash and carry" policy.
5. Minimum customers service is provided in these stores as these stores work on the basis of self- service.

Advantages of Supermarkets

1. The supermarket sells a wide variety of merchandises.
2. The supermarket offers convenient shopping to customers as they can buy everything under one roof.
3. supermarkets offer low-profit margins, high discounts, and convenience of buying everything under one roof.
4. Customers don't have to spend a lot of time.

Disadvantages of supermarkets

1. Fewer customers services.
2. Products which require instruction to use are difficult to purchase from supermarkets as there is no one to assist you.
3. High administrative expenses required to run a supermarket.

3) Chain Stores or Multiple Shops

In this format of retailing, a chain store consists of four or more stores sell the same kind of merchandises and are owned and managed by a single owner. The supplies are stocked in chain stores are provided by one or more warehouses owned by the chain store owner.

This retail format is known as “Chain Stores” in America and known as “Multiple Shops” in Europe. In chain stores, customers are approached to provide them assistance and not forced to make purchases. More than one store can be opened in one city to magnet more and more customers.

The appropriate examples of chain stores are Wal-Mart, subway, Bed Bath and Beyond, and Body Shop, etc. Chain stores work on the basis of “Centralized buying with decentralized selling”.

Features of Chain stores

1. When one or more shops are run under one name are called chain stores.
2. There is centralized control over all the shops.
3. Chain stores are integrated stores.

Advantages of Chain Stores:

1. Chain stores offer low selling prices.
2. Low advertisement cost as the advertisement is done on a central basis.
3. Chain stores work on a cash basis. Therefore, there are fewer chances of bad debts and less accounting process required.
4. No need to look for costly and centralized locations.

Disadvantages of Chain Stores:

1. People believe that merchandises are sold at a low price which is clearly a false claim.
2. Chain stores lack flexibility. As it does not offer wide varieties of products.
3. There are high chances of a problem because there are several problems associated with the large scaled business.
4. Chain stores do not provide facilities like Door delivery and credit facility. Therefore, it has a poor bad image.

4) Discount Houses

Discount house is a type of retail format which operates at low cost and almost no customer’s service. These stores are large in size, open for public and advertised heavily. They sell a wide range of products of well-known brands, housewares, appliances, sporting goods, house furnishing, toy and automotive services, and clothing, etc.

These stores operate on a self-service basis and no customer service is provided in them. Discount houses can be of different types such as small store, Full line limited service, catalogues type order offices. The stocks in discounts houses are bought from both wholesalers as well as manufacturers.

So far, you have learned about “In-store retail stores”. In the next section, you will learn about various types of “Non-store retail stores”. Almost 80% of transactions are made in stores.

However, with the increase in the non-physical transaction the concept of non-store retail stores came into existence.

Hence, the rest 20% of trading transactions take place in non-store retail stores. There are five types of non-store retail trading formats such as telemarketing, direct selling, automatic vending, online retailing, and direct marketing.