

Retail Marketing Strategy

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Lecture-28




Welcome back everyone. Today we will be beginning with session 5 of the course Retail Marketing Strategy of the week 5. Now, see if you recollect in the last lecture we were discussing about the brand personality traits right. We were precisely looking at the perspectives of how a retailer can actually push brand loyalty by working towards the facets of creating a positive brand image.

Learning Objectives:

After going through this module, the learner will be able to appreciate:

- Achieving sustainable competitive advantage (Continued)
- Strategic Retail Planning Process



2

Now, in this particular module also we will be going ahead with the facets of achieving sustainable competitive advantage and we will be looking at the strategic retail planning process.



So, as I was telling you we were discussing this particular model in which we were looking at the personality traits or human traits which can be associated with brands.

As far as our discussion is concerned we were also looking at various retailers that might have these traits like sincerity, excitement, competence, sophistication, ruggedness. Now, whenever you are talking about excitement let us say McDonald's is one of the retailers that can be associated with it right. So, we also discussed a few more examples, but there is one particular examples which can be aligned too much with competence which is all about being very intelligence and offering something which is very dependable. Now that example definitely is Volvo.

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Volvo's "Ultimate Safety Test" is about saving lives in and out of cars

Becoming a zero emission brand, for Volvo Cars, is just the first step on the road to planet preservation.

DECEMBER 09, 2021 / 07:07 PM IST

<https://www.youtube.com/watch?v=hTjLmHXoNNw>

Source: Volvo Cars Official YouTube Channel

Volvo Cars
241K subscribers

4

Now, Volvo's ultimate safety test is about saving lives in and out of cars. So, what I have done is I have kind of retrieved the video which has been derived from the Volvo cars official YouTube channel and is definitely going to give you a perspective how they are creating cars which are too much dependable when it comes to safety and this is how we associate the trait of competence with these particular brand which is indeed Volvo. So, please have a look at this video and this indeed is going to give you a perspective which we just discussed.

Hey, I am Bjorn and I am here at Volvo to find out what is the ultimate safety test. These are the side and frontal crash tests.

They are brutal. Yep, seems fine. This one is my favorite. The run-off road test impressive, right? But is it the ultimate safety test? This is the big one. The 100 foot drop.

So, is this the ultimate safety test? Well, it depends whether you...

Brand Messaging: Brand messaging includes the verbal communication strategies used to convey the brand's values, benefits, and positioning to consumers. It encompasses slogans, taglines, mission statements, and key messages that resonate with the target audience.



Source: <https://www.vecteezy.com/>, <https://www.patanjaliayurved.net/>, <https://www.facebook.com/AvenueSupermarts/>



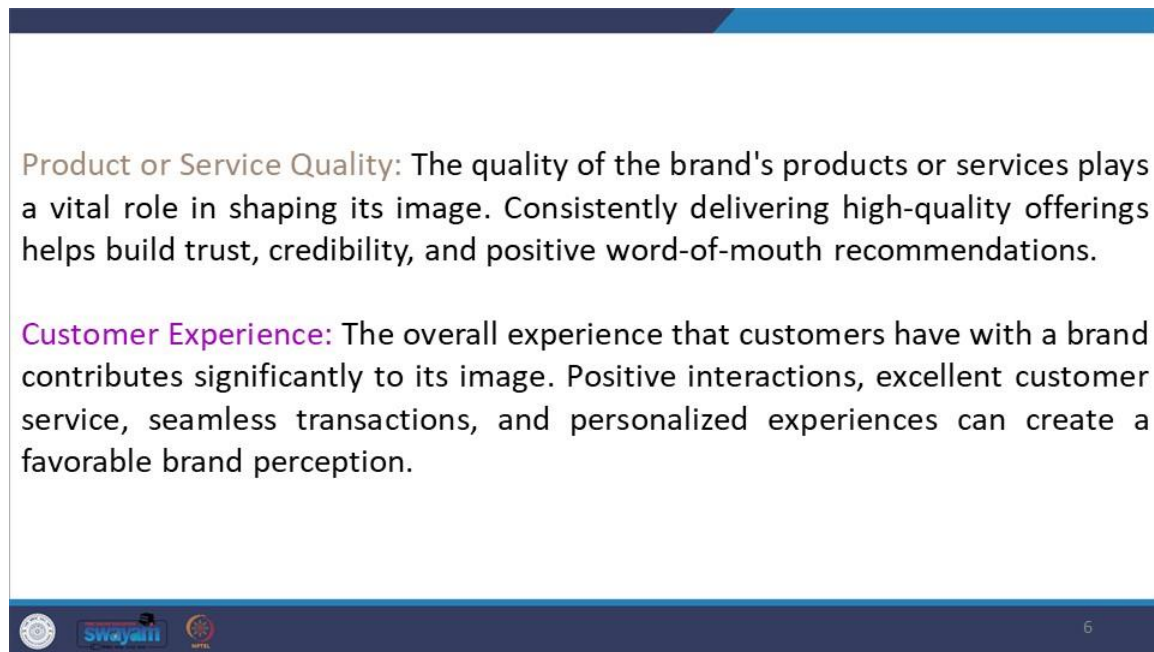
Now, as we move forward the other element which we need to understand with respect to brand images definitely brand messaging. Now, brand messaging is all about the verbal communication strategies that are used to communicate brand values, benefits and positioning to the consumers.

Now, this is also reflected in terms of slogans, taglines and mutual statements that brands usually have. See, even in case of brand messaging it indeed will get also executed through integrated marketing communications program which is all about what is it that you are trying to communicate to a target audience, what is it that your brand stands for, who are the target market that it will be catering to. Now, these two become very important whenever you are executing the facets of brand messaging. Now, for McDonald's it is all about I am loving it and this definitely indicates that the people who visit McDonald's are definitely going to love it and will be visiting again and again. Now, whenever you look at DMart their slogan is all about daily discounts, daily savings right.

Now, this also captures the deep essence of DMart as a retailer right because what they are trying to offer you is a lot more savings if you come and buy groceries or daily needs products from them. So, this is indeed getting reflected in their slogan as well because DMart precisely is a no frills store which means they are not providing you a lot of a very extensive services. How they are operating is they are keeping the services to the minimum. Many times when you go to the store you need to figure out products for yourself or find out products on shelves on your own. You might have some people to assist you, but they are anyway not going to be too many because the model is all about

saving and then passing on these benefits or savings to the customers as I was telling you in the last session also.

Now, the third tagline if you see is of Patanjali which is all about Prakartha ka Ashirvad which anyway captures the essence of the fact that the products which they have are very close to nature and might not have any chemicals or could be completely organic. This is what actually appears from the tagline which they are using.



Product or Service Quality: The quality of the brand's products or services plays a vital role in shaping its image. Consistently delivering high-quality offerings helps build trust, credibility, and positive word-of-mouth recommendations.

Customer Experience: The overall experience that customers have with a brand contributes significantly to its image. Positive interactions, excellent customer service, seamless transactions, and personalized experiences can create a favorable brand perception.

Swayam UPEL 6

Now, the another element which we are going to discuss is definitely product or service quality. See, in order to have a very positive or strong brand image which consumers actually rave about your products or particular retailers you just cannot compromise on product and service quality. People or the consumers are not going to love your brand only because you have a very strategic or very well executed marketing communications program and if you are faltering on delivering quality products and services.

So, this is the bare minimum that a retailer or a brand needs to do for its customers right and consistently delivering high quality offerings definitely helps in building trust, credibility and a positive word of mouth recommendations. And see this also needs to be done in conjunction with creating a very positive customer experience. The overall experience which customers have with the brand definitely contributes to a positive brand image. Now, this gets reflected in a lot of activities how you are treated when you get to the store if you have a problem let us say if you want to return a product how the retailer is behaving the proactive communications that the retailer is having with you will actually get reflected as a part of customer experience. Many times or more specifically as far as the present retailing dynamics are concerned this is also going to be captured

from the essence of the experience that you have with different retail touch points.

Brand Associations: These are the mental connections and associations that consumers have with a brand. Associations can be related to attributes like reliability, innovation, sustainability, or emotional benefits that consumers associate with the brand.

Brand Reputation: The reputation of a brand is the collective perception and opinion formed by consumers, stakeholders, and the general public based on past experiences, reviews, and feedback. A positive reputation strengthens the brand's image, while negative reputation can harm it.



Now, that can be related to searching information about products and services or even buying or maybe can be aligned with different stages of the consumer decision making processes right. Apart from these the another factor in is indeed going to be brand associations which mean the mental connections and associations that consumers have with the brand. Now, these can be related to attributes like reliability, innovation, sustainability or emotional benefits that consumers associate with the brand. Let us say if you are talking about Tata group you will definitely have feelings of trust because of how the brand operates or because of the ethics that they have and many times also because of the contributions that they are making to our country on a larger level. Apart from this brand reputation will also come in play now it is the collective perception and opinion formed by consumers, stakeholders and general public based on again the experiences, reviews and feedback that they get about a particular retailer or about products and services in general.

Brand Communication: The way a brand communicates with its audience through various channels, such as advertising, social media, public relations, and content marketing, affects its image. Consistent and authentic messaging helps to reinforce the desired brand image.

Brand Consistency: Consistency across all touchpoints, including visual identity, messaging, customer experience, and brand behavior, is crucial for building a strong and cohesive brand image. Inconsistencies can confuse consumers and dilute the brand's image.

A positive reputation certainly strengthens the brand image while a negative reputation is definitely going to harm it. Now the last two elements which definitely impact brand image or brand communication which means the communications which a particular retailer or a brand will have with the target audience now this again is executed through integrated marketing communications campaign. Along with that in the present retailing dynamics what you specifically need to consider is that the experience should be consistent across all touch points. It is not like if you are going through an offline store you are being treated in the best possible ways, but if you are kind of processing request online or trying to place the order for the product online what you find is a very shabby website which cannot even be properly navigated. So, the whole idea is to make sure that you have consistency across all the touch points whether it is related to visual identity, messaging, offering a world class customer experience the brand behavior which should be consistent in order to make sure that the best of brand image or a very positive brand image can be created because inconsistencies will definitely confuse customers and will dilute the brand's image.

Many times you will see a lot of retailers which specifically have a very exclusive distribution network because they want to control the consumers experiences which are being offered at store. You might say that they are not relying that much on giving franchisees because the control then goes completely away from you with respect to controlling the experiences which are being created inside your stores. So, this is again one of the facets which you definitely need to consider.

2. Positioning:

Image of the retailer in consumer's mind relative to its competitors

It exists in the mind of the consumer not the retailer. However, a retailer certainly strategizes to build a certain image

Perceptual map is precisely used to understand a retailer's standing in relation to its competitors

Points of Parity and Points of Differences



9


Now the next factor which assumes key importance with respect to customer loyalty is positioning. Now positioning is all about the image of the retailer in consumers mind relative to its competitors.

So, again what we need to kind of emphasize is on the fact that it exists in the mind of the consumers not the retailer. However a retailer certainly strategizes to build a certain image right and one of the key tools which is used for positioning is perceptual map. Now perceptual map is basically a visual presentation of all the players who are competing with each other in the market and we also see how they are positioned right. There could be a particular brand which could be kind of positioned as being not so expensive one or there could be a particular brand which could be precisely positioned as offering the best of quality and it could be a little expensive one. So, one apparel brand could be fashion forward another one that you see could be traditional.

Now they again can also be differentiated on the basis of pricing and target markets that they are catering to right. If you remember we discussed the example of fab India who is catering to various target markets like men women and children as well right. But if you talk about manyavar till date it is precisely being only producing merchandise for men and women their focus is not that much on kids or children per say. So perceptual map overall is the tool to understand the positioning of the various brands or retailers that you think you would be competing with. Another important factor which needs to be understand with respect to positioning is points of differences and points of parity.

Points of parity is basically the key highlights that can be mapped with various brands or could be available in various brands whereas, point of differences are the distinctive factors which can only be associated with certain brands and that eventually brings in



brand image or also fosters loyalty as far as the consumers are concerned or repurchase buying behaviour is concerned right. See let us say if you talk about various mobiles that are available in the market it is only with the apple or iphones that you can associate a lot more security at the sophistication in design right. Now when you talk about Sony if you talk about a lot of audio products that are available in the market the sound quality that you can associate with SONY you might not be able to associate with other brands. Now that is the kind of distinction which various brands will bring in and various retailers can also bring in like if you want to connect it with earlier examples let us say the positioning that can be associated with Dmart is very different as compared to natures basket right. If you remember that discussion the positioning of Dmart is all about a no frills stores and is capitalizing on daily savings which they eventually pass on to their customers.






https://www.youtube.com/watch?v=But_gEltmzg

<https://www.youtube.com/watch?v=i1Q62SNvmgU&t=8s>

Source: Manyavar Official YouTube Channel

 Manyavar 
123K subscribers

   10

So, this is how the positioning of Dmart can be looked at. Now let us look at this particular example to understand brand positioning if you remember manyavar ran a lot of campaigns in which the whole idea was Tyar ho kar aaiye. So, what we will be doing now is we will be looking at two of their advertisements in which two celebrity superstars have been featured while one being Amitabh Bachchan and the other one definitely being Ranveer Singh and the whole ideology is about establishing the fact that if you are attending a marriage function precisely any family get together or any marriage function if you are not wearing manyavar you have not got ready for the function as you would have been. So, that is how they are trying to position themselves and they are trying to create or work towards making manyavar as a synonymous to getting ready in the best possible ways with respect to various functions. So, these videos have been derived from the official manyavar youtube channel.

So, we will be looking at these one by one and I am very sure you will get the essence of the fact how brand positioning actually works and do not forget to share your views or what you think about these campaigns in the forum section and we will be happy to read about what you think of these campaigns in the light of creating a superior brand positioning as compared to other brands.

Sir, I have to ask you the assistant manager to help me. What? I am the one who is the one who is my partner. Excuse me. Sir, sir, sir, sir, sir, sir, sir, sir, sir.

Sir, sir, sir, sir, sir. I want to interview you sir. I want to see you mind blow.

Sir. Sir. Smile. Sir. Sir, I am going to resume the cold. Sir, pure cold. What are you doing? This is a real office. You are not going to make me go to the office. What? You have to go to the office to buy a pen.

A pen? It's a job. A job? It's a job. Sir, I have to ask you the assistant manager to help me. I have to ask you the company's CEO. You are going to buy me a black coffee. I am going to ask you the company's CEO to help me.

Sir, sir, I have two other questions. Please, please describe their whatever they are saying. Sir, I get the question. She said I want to talk after 5 or 6 weeks I have 2 VO. How can I continue with these 2 Police's question, can you please consider as their wise? Right, so this five are the retailers itself right.

So we will get back to our earlier discussion like how you can create long term sustainable competitive advantage vis-à-vis a short term so one thing which again becomes very essential is about offering exclusive merchandize which means the merchandize or the products which are not available elsewhere right. So if you look at the retailers today you will precisely find all retailers sell in popular national level brands so sustainable advantage might not come from that right It can only work let's say when the vendor or the particular marketer has entered an exclusive contract with you in making sure that the particular products shall only be sold through you. Now that can bring a sense of sustainable competitive advantage otherwise it might not exist one way of doing this can be to have your own private labels. Now if you recollect the discussion that we had about private labels these are the brands which are manufactured by the retailers itself right.

So, indeed these will only be available at specific retailers and if consumers start liking your product or your private labels per say, they will be indeed coming back to your again and again. And this then start operating as a means to achieve sustainable competitive advantage. Now, if you look at this particular example OnePlus Mobiles are only available on Amazon. So, if you see even in the newspaper ads or if you visit their website what you will see is Amazon specials which means these products are only

available on Amazon. Now this imprecisely brings in the kind of sustainable competitive advantage as far as the facet of exclusive or unique merchandise or unique products is concerned.

Source: <https://www.advertgallery.com/product-category/advertisements-by-brand/one-plus>

Apart from this you can also consider this, this is one of the cutouts from a newspaper advertisements which precisely says Amazon exclusive OnePlus 5 and they have also mentioned about the other features which can be associated with this particular product. The next example which you can precisely consider is this Motorola One Vision Smartphone to be exclusively available on Flipkart. Now this again can be allied to the facet of offering exclusive merchandise right.

4. Customer Service :

Loyalty can also be developed by offering excellent customer service

Consider the example of Ritz Carlton, WOW Stories, The Magical 15 minutes

Apple's policy on return and replacement

5. CRM Programs:

Reward Loyalty, Health checks, Personalization in communications and what else...?



Customer service can also be used as a means to kind of foster loyalty and achieve sustainable competitive advantage. Loyalty can also be developed as we were discussing by offering excellent customer service.

Now this is all about making sure that you offer the best of experiences or unique or memorable experiences to the customers when they visit your retail establishments and also if there is let us say a repair is required or if there is a particular context in which the retailers assistance is required a retailer should make sure that this is done in minimum possible time. You can also consider the example of Ritz Carlton and Wow Stories this also we have discussed in one of our sessions, but what we will be talking now is their magical 15 minutes. Now what they do is they will see various staff meeting for 15 minutes in which they will be sharing their experiences or the steps which they have taken in particular situations to kind of create Wow moments for the guest or the people who were staying in their hotels. Now this actually works as a knowledge sharing session or information sharing session in which the discussion is all about working towards creating Vow moments for the particular customers or per se guests that have visited the hotels or are staying in their hotels. So this also works as a means to motivate each other and provide inputs how this can be well executed right.

You can also consider the example of Apple's policy on return and replacement as far as iPhones and other Apple products are concerned which is more like a zero tolerance policy if you face any of the issues with the product they are definitely going to take the returns and replace it. Along with this CRM programs can also be utilized to work towards fostering royalty creating a very positive brand image and definitely working towards fostering the best of experiences of the customers. Now one thing as far as the


CRM programs are concerned is to reward loyalty you need to reward the customers who are coming back and buying from you again and again right. Apart from this you can also have a unit which is basically focused on health checks which means you make regular calls to your customers to make sure that they are happy with your product. Now this can again be executed by a lot of retailers.

Now whenever you are talking about personalizations one thing which you need to remember is this should simply go beyond addressing your customers by the first names or remembering their basic details. This needs to get reflected even from the facet of the sales promotion offers that you are specifically designing from your customers. Now what you see in the last is what else now I want you to think about what are the other customer relationship management programs that you think can be executed by the retailers to foster loyalty or to build a very positive brand image as far as the retailing is concerned. Now what you see in the end is what else now as far as this is concerned I want you to share your views on various customer relationship management programs that can actually be executed to foster loyalty as far as the retailing dynamics are concerned.

6. Retail Community:

Group of consumers who have shared involvement with a retailer

Ranges from being a member on social media platforms to organizing and attending events, Fosters loyalty and emotional connect



The banner features a pink background with a circular image of two smiling women. To the right, the text 'Join India's Largest Parenting Community!' is written in a stylized font. Below this, four icons represent different features: 'Parent-Doctor Connect', 'Parent to Parent Discussions', 'Vaccine, Growth, Diet Trackers', and 'Exciting Contests'.

FirstCry Parenting ●
@FirstCryParenting 1.32M subscribers 2.1K videos
Welcome to FirstCry.com's official YouTube channel, FirstCry Parenting! >

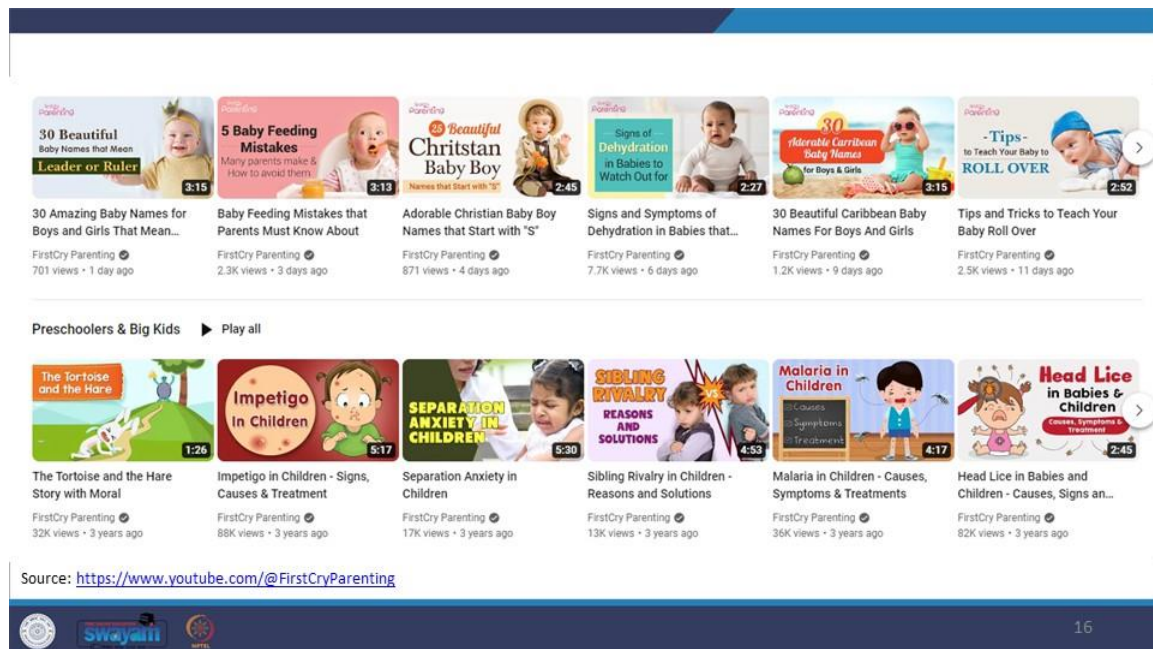
Source: <https://www.youtube.com/@FirstCryParenting>

15

Now another thing which you need to understand is even creating a retail community can also be very beneficial with respect to fostering brand image or even giving a push to the loyalty as far as the focus is on making sure that the customers are coming back to you again and again and are doing repeated business with you.

So retail community is all about a group of customers who have shared involvement with the retailer. Now this can be on the basis of being a member to their social media platforms to organizing and attending events as well. Now this indeed fosters loyalty and

also gives a huge push to the emotional connect which customers share with the retailer right.



So what you see on screens is the YouTube group of first guy parenting and what you see is they have a whopping or fantastic 1.32 million subscribers. Now you might be wondering how they are actually engaging. So the first thing is they are on daily basis offering parental tips and also sharing videos about their product. So this is the kind of content which they are sharing on this YouTube channel with their subscribers 30 amazing baby names for boys and girls, baby feeding mistakes, adorable baby names, signs and symptoms of dehydration in babies. Then they are also sharing a lot of content on malaria in children, how what are the causes of it, symptoms and treatments, then how you should manage sibling rivalry in children, what are the reasons and what can be the best solutions for this. So now if you see there is a huge coherent with what the brand stands for and what is their target market and the kind of content which is being shared.

So that is why creating retail communities also becomes very important. See another thing is this also provide you a venues to figure out who can be a brand advocates which means the people or the customers who will be defending your brand and will be talking a lot more positive things about your brand. Apart from this as far as building long term sustainable competitive advantage is concerned you also need to develop strong relationship with companies that provide merchandise and services to you.

7. Relationships with Suppliers:

Develop strong relationships with companies that provide merchandise and services to retailer

This could be vendors who supply raw materials, advertising agencies and transportation companies etc.

Consider the case of Walmart and Procter and Gamble (P&G): Started with improving supply chain efficiencies, now they even share sensitive information to create value for each other as partners, Walmart shares its sales data with P&G to help it better plan production and use Just In Time inventory.



17

Now this could be vendors who supply raw materials or could be advertising agencies or transportation companies that you are working with. Now the best example in this case is definitely of Wal-Mart and Procter and Gamble.

They share a very intimate relationship with respect to bringing in benefits for each other as far as their partnership is concerned. Initially the relationship was all about improving supply chain efficiencies, but later on it even got to a stage where they share very sensitive information like many times Wal-Mart will share the details of sales with Procter and Gamble and which will eventually help them to better plan their production in just in time inventory. Many times you will also see that the Wal-Mart has also executed special packages or packaging only for Procter and Gamble products just on the basis of the relationship that they share. But this again is one of the classic examples of how relationship or the retailing relationship can be taken to the next level to bring in the best of benefits as far as the partners are concerned. I would certainly request you to please go and Google more about it.

Trust me this is indeed going to be a very fascinating way of learning about how partnerships can work best in retailing and how that can be executed as far as the case of Wal-Mart and P&G is concerned. So even with respect to this I would request you to read more about it, but also get back to forum and share with us what is it that you have specifically identified as far as the association between Wal-Mart and Procter and Gamble and the context of relationship with suppliers is concerned.

8. Location:

What are the three important things in retailing: Location, Location and Location

Determines which store a consumer patronizes, would you be willing to travel 10 Kms to buy groceries?

Cannot be easily duplicated

But is it all or there is more to it?



Apart from this location indeed can also be a source of sustainable competitive advantage. At one time the three important things that were considered in retailing were only location, location and location. But see I want to give you a different perspective about it.

This can work best when we did not have online channels, but when you talk about online channels the location may not make that much of a difference right. But vis-a-vis with the consideration of physical stores this is definitely going to bring in a lot more advantage. Now if you talk about grocery business the benefits are definitely going to come to a store which is closest to a residential complex right. Because many times you will see in case of groceries business the benefit will definitely come to the retailer who is very closest to the residential complexes right. People might not be willing to travel a few kilometers to buy groceries that is why location assumes too much importance for such businesses right.

But there is definitely a lot more to the location decisions and we will be talking about this in our sessions to follow a specific session which will be dedicated to locations. Another way of building sustainable competitive advantage definitely comes from having committed and knowledgeable sales staff and this indeed cannot be undermined.

9. Human resource Management:

Power of committed and knowledgeable sales-staff cannot be undermined

10. Distribution and Information Systems:

Use of sophisticated distribution and information systems offers an opportunity for retailers to reduce operating costs.

Plays a key role in determining assortment at different locations and tailoring promotions



The focus should not be on having too much employees rather on having employees who are knowledgeable and can work in the best possible ways towards developing best of relationships with the customers. Another way of building sustainable competitive advantage definitely comes from using sophisticated distribution information systems which offers an opportunity to the retailers to reduce operating cost. So, the another way of building long term sustainable competitive advantage can be through the facets of distribution information systems.

Now the use of sophisticated distribution information systems indeed offers an opportunity to retailers to reduce operating cost. Now just imagine if you have a very robust inventory management system you are in a position to avoid overstocking and no stocking options in both the cases you are missing out on a lot if you have a no stock options you have customers coming and you are not able to deliver or provide products to them right then you lose out on the opportunity cost of closing that sale. Now if you have over stocking options now this again also indicates a case of opportunity cost lost in the context of keeping products that could have been sold like hot cakes right. So, that is why having a very robust distribution information systems can bring in a lot of benefits and this indeed also can give you an idea about what is the assortment that should be kept at different locations. Like let us say if you have a very smart information systems you can record sales or look at sales from various terminals across different locations you might be able to figure out the preferences across different regions and then you can decide what is the kind of assortment of merchandise mix that can be kept at a particular retail store to bring in the best of any effects.

So, this again is one of the facets which I wanted you to understand. Now as far as this particular session is concerned we had very enriching discussion about how the retailers can work towards building long term sustainable competitive advantage. Apart from this as we move forward we will be looking at the strategic retail planning process. Thank you very much.