

“A Study on Analyzing Promotional Tactics in Retail Sector with Special Reference to Reliance Retail”

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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 retail has adopted various and aggressive promotional strategies to make consumers loyal to their brand. The purpose of this study is to investigate the effects of promotional tactics. This study examines sales promotion and its effects on organizational effectiveness and focuses on how sales promotion is used to generate higher sales and increased profitability. A descriptive research design was applied to describe the sales promotion activities in Reliance retail.

KEYWORDS:Retail, Promotional tactics, Aggressive strategies.

I. INTRODUCTION:

Retail- A retail sale occurs when a business sells a product or service to an individual consumer for his or her own use. The transaction itself can occur through a number of different sales channels, such as online, in a brick-and-mortar storefront, through direct sales, or direct mail. The aspect of the sale that qualifies it as a retail transaction is that the end user is the buyer.

Promotional strategy- It includes creating awareness, getting people to try products, providing information, retaining loyal customers, increasing the use of products, and identifying potential customers, as well as teaching potential

service clients what is needed to “co-create” the services provided.

OBJECTIVES OF THE STUDY:

- 1) Study the retail sector of India.
- 2) To study the Reliance Retail’s Pricing Strategies.
- 3) To study the Reliance Retail’s Distribution Strategies.
- 4) To study the Reliance Promotion Strategies.

SCOPE OF THE STUDY:

The project involves study of various promotional tactics/strategies such as value pricing, shipping promotions, advertising, sponsored events etc. The project also involves study and comparison of different techniques and strategy used in Reliance retail.

REVIEW OF LITERATURE/ THEORETICAL BACKGROUND

- **Aparna P. Goyal** (2017), “Study of consumer purchase behaviour in the context Of organized retail outlets of reliance fresh in Delhi” studied that there is 85% of impact of employee behaviour on consumer purchase intention as they would like to visit the store again to purchase products. Also overall, the customers are satisfied with the Reliance Fresh stores in Delhi/NCR.
- **Ankita Jangde, Bhuvanesh Kumar Sharma** (2018), “Understanding shopper behaviour and evaluation of customer experience at selected stores of reliance retail” found that Product quality is the most important factor that influences the perception of the customers towards Reliance Trends. So, the store should maintain that quality and look for ways to improve it further. There is less awareness among the customers about the RelianceOne loyalty programme. So, the store staff could be

trained through “Reconnect” about this program so that they could educate the customers.

- **Dr. K. Navarathinam** (2016), “A study on service quality delivery of reliance fresh with reference to madurai district” studied that Reliance Fresh is a store, provides quality services to the customers and customers are highly satisfied.
- **Dr.P.Suguna, Dr.V.B.Mathipoorani**(2016), “Strategies for retail marketing” have said that by brand building and promotion tactics Indian retail can rise enormously and can hold its customers. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. By accepting all these challenges retailers can sustain and flourish in the market.
- **AshuNagpal, Bineet Sinha** (2017), “Challenges faced by Indian organized retail outlets:

A descriptive study of Delhi/NCR” studied that organized retailers see 'competition from unorganized retail' as their biggest challenge. lack of technology adoption, inefficient supply chain management, lack of infrastructure and logistics, understanding customer, high cost of operation, scarcity of skilled workforce, price war, frauds in retail, ever-increasing customer demand as major challenge.

- **MonalishaPattnaik**(2015), “Sustainable supply chain management in reliance fresh: a case analysis on green vegetables and fruits” have found that Reliance Fresh manages its value chain effectively. The vegetables and fruits are delivered to the customers with proper emphasis on freshness and hygiene. The distribution centers keep a track of the inventory requirements at the outlets and carefully select the vegetables and fruits from the local farmers and wholesalers. The retail stores well manage the vegetables and fruits under properly regulated temperature and chilling conditions. Proper emphasis on pest controlling and germ contamination are done looking at the shelf- life of the items.
- **UmeshBabanlalGangwal** (2015), “Study of innovative marketing practices in retail marketing sector with special reference to reliance retails in Maharashtra state” studied that Reliance Retail offers a wide range of products which range from apparels, food, farm products, furniture, child care, toys, etc.

Products of all the major brands are available at Reliance Retail. Also, there are many in house brands promoted by Reliance Retail. They work on the model of economics of scale. Their pricing objective is to get maximum market share.

RESEARCH METHODOLOGY

ResearchType :

This paper is based on a descriptive study focuses on secondary data, the majority of information comes from journal articles, news, opinions from retail market experts. This method was chosen since it helps to understand many aspects of the retail market using words rather than numbers. For these reasons, the researcher chose qualitative research method.

Data Type

In this report Secondary data was used, as collecting the first-hand data was not feasible due to current pandemic situation and lack of response through online means. For this research Data from various Published article, Journals and News report is used.

RELIANCE RETAIL MARKETING MIX (7PS) STRATEGY:

Marketing Mix of Reliance Retail analyses the brand/company which covers 4Ps (Product, Price, Place, Promotion) and explains the Reliance Retail marketing strategy. As of 2020, there are several marketing strategies like product/service innovation, marketing investment, customer experience etc. which have helped the brand grow.

Marketing strategy helps companies achieve business goals & objectives, and marketing mix (4Ps) is the widely used framework to define the strategies. This article elaborates the product, pricing, advertising & distribution strategies used by Reliance Retail.

RELIANCE RETAIL PRODUCT STRATEGY:

The product strategy and mix in Reliance Retail marketing strategy can be explained as follows:

Reliance Retail is one of the most prominent retail brands in India. Under the umbrella of Reliance Retail, comes a number of companies like Reliance Fresh (contain products from fruits and vegetables, groceries, daily products, stationery, detergents etc.), Reliance Trends (the dress and apparels division), Reliance Footprint (the shoes and footwear division), Reliance Jewels (jewellery and diamonds shop), Reliance Smart (for bakery and fresh products and home care products), Reliance

Digital (electronics showrooms) and Ajio.com (online clothing store). It has a diverse offering under its marketing mix product portfolio.

RELIANCE RETAIL PRICE/PRICING STRATEGY:

Reliance Retail stores offer goods at extremely competitive prices. At a place like India, where there are about 7 million retail stores, pricing plays a big factor of differentiation. With setting up big and attractive supermarkets, the number of people coming inside wish to buy in bulk. Reliance offers them a price which is generally lower than general stationery stores. This strategy is mostly applied in FMCG sector. This is possible from getting the products directly from suppliers in bulk and their connection with the farms. However, in the clothing sector and in footwear, Reliance Retail offer mid-range to premium pricing, this is because they offer premium quality products from well-known brands. In jewellery business, they keep pricing similar to their competitors and rely upon their designs for differentiation. They have the dedicated Card named Reliance cards where they give discounts on multiple buys.

RELIANCE RETAIL PLACE & DISTRIBUTION STRATEGY:

Reliance retail stores are across 750 cities in India, and the number of stores is around 3800. They being an age old established brand in India, cater to a wide spread base of customers from around the corners. They haven't driven in to the rural sectors in India as they have primarily focused upon medium to high earning part of the society. The Reliance Retail stores are generally spread across big area with proper parking facilities. They also sell their products online and with dedicated clothing sites like Ajio.com.

RELIANCE RETAIL PROMOTION & ADVERTISING STRATEGY:

The promotional and advertising strategy in the Reliance Retail marketing strategy is as follows:

Reliance Retail has invested in many advertising sources ranging both on online and offline. Their discount offers in clothes and footwear's attract a lot of consumers. Big hoardings can be seen all over the cities. The Reliance Fresh has all time offers going on where their products are usually on 30-50% discount which is a very eye-catching number to indulge audiences. They also use print media and simultaneously social media to reach to the customers.

Since this is a service marketing brand, here are the other three Ps to make it the 7Ps marketing mix of Reliance Retail.

People:

Reliance being one of the largest employers in the country has around 1, 20,000 employees working for Reliance Retail. This includes talented people who are inclined in sales jobs. Proper care is taken to make every worker familiar with the product and be expert about it. Headed by MukeshAmbani, the hierarchy structure of the company is very long. This is because the shops are at every corner of cities appointing numerous workers who are familiar with local language and sales methods for particular regions.

Process:

The main focus of Reliance Retail from beginning was to never be stock out for which it had to have a very efficient logistics division. Reliance fresh which sells vegetables and fruits have daily replacement systems where the inventories are rotated throughout the day. In Reliance Digital they feature one of the largest tech markets not only in terms of product varieties but also in terms of easy availability which is achieved through company's connection to main suppliers and rapid distribution system.

Physical Evidence:

Reliance Retail stores have been trying to reach each and corner of the country. Reliance fresh has been successful in being the daily Retail store for a majority of consumers in Tier 1 and tier 2 cities. Their presence in fashion retails can be seen from big hoardings in major streets. The outlets those are chosen for set up are usually big spaces which portray a display of the store varieties. They usually take multiple floors with multiple retails all at one stop. Such as Reliance trends, footprints and digital are often clubbed together. This concludes the marketing mix of Reliance Retail.

PROMOTIONAL TACTICS IN RELIANCE RETAIL:

Advertising:

Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. The advertising part at Relianceretail is done with the help of print and broadcast ads, packaging outer, catalogue, directories, billboards, symbols and logos and audio materials.

TYPES	MODE
Print or broadcast ads	With the help of National Newspapers and Local magazines
Packaging outer	Providing carry bags including brand name and logo
Catalogue	Distribution of catalogue through newspapers and to the customers inside the store.
Directories	Advisements in Tata yellow pages, MTNL telephone directory and through Just Dial.
Billboards	Billboards outside the store.
Audio Material	Audio material inside the store including the latest promotions and offers.
Point-of-Purchase Displays	Point- of- Purchase displays are used at reliance mar to communicate the benefits o f a products.

SALES PROMOTIONS:

Sales promotion is a variety of short term incentives to encourage trail or purchase of a

product or service. The sales promotion at Reliance retail includes premiums and gifts, Sampling, rebates.Offers like BOGO and BXGY etc.

TYPES	MODE
Premium and Gifts	Premiums in the form of 'Bill Busters' on the purchase of a fixed amount every week. E.G. Pickle Set (set of 4) is free with the purchase of Rs.999
Sampling	Distribution of samples of test merchandise in the store and with certain products. E.G. free sample of "Pick" pickle was distributed which was test merchandise
Rebates	Discount on MRP of certain products.
Offers: BOGO BXGY	Buy One Get One Buy X and Get Y

EVENTS:

Sponsored activities and programs designed to create daily or special brand-related interacts. These types of events at include festivals, store tours.

TYPES	MODE
Social Event	Reliance retail's Tie-up with the 'Mosquito. awareness Program" launched by "ALLOUT"; making people aware about the diseases like Dengue, Chikangunia and Malaria.
Store tour	Reliance retail facilitate a store tour to the students of school which makes the learning process of students easier with a fun and a practical exposure and on the other hand associating teachers and students with Relianceretail.

Customer Relationship Management (CRM):

The Customer Relationship Management is a new technique in marketing where the marketer tries to develop long term relationship with the customers to develop them as life time customers. CRM aims to make the customer climb up the ladder of loyalty. CRM is a combination of

policies, processes, and strategies implemented by an organization to unify its customer interactions and provide a means to track customer information. It involves the use of technology in attracting new and profitable customers, while forming tighter bonds with existing ones.

Products are easy to copy, services are harder to copy but the learned relationship that a customer has with or his supplier is nearly impossible to reproduce. It increases profitability of the retail business in five key ways:

- Customer loyalty translates into reduced price competition.
- Customer information allows companies to target profitable customers.
- Predictable buying patterns, lower inventory holding costs, spoilage, and distribution costs.
- Customer loyalty reduces advertising and marketing costs.
- Customer loyalty extends products life cycle.

MARKETING TECHNIQUES USED BY RELIANCE RETAIL:

Value Pricing (Every Day Low Pricing):

Reliance Retail promises consumers the lowest available price without coupon clipping, waiting for discount promotions, or comparison shopping.

Promotional Pricing:

Reliance Retail offers financing at low interest rate. The concept of psychological discounting (Rs.99, Rs.49, etc.) is used as promotional tool. Reliance Retail also caters on Special Event Pricing (Close to Diwali, GudiPadva, Durga Pooja, Independence Day, Republic day etc.)

Differentiated Pricing:

Time pricing, i.e., difference in rate based on peak and non-peak hours or days of shopping is also a pricing technique used in Indian retail, which is aggressively used by Reliance Retail.

Bundling:

Selling combo-packs and offering discount to customers. The combo-packs add value to customer. Reliance Retail is aggressive on their expansion plans. Reliance Retail started many new and innovative cross-sell and up-sell strategies in Indian retail market.

Brand Image:

“Aapkikhushihamarikushi” Nothing captures the spirit of Reliance Retail better than this one line. It is a simple statement and yet it positioned at the top of Indian customers mind. It shows that Reliance Retail was built on the foundation of entrepreneurship and simplicity. They believe in service and value for the customers. They consider that it is their only duty

to keep customer in mind at every step; they go that extra mile and buy directly from source in bulk so that they can get best rates by keeping the margin low.

Merchandise:

Main objective of the store layout is to maximize the interface between customers and merchandise. It provides easy accessibility to the customers to view the offerings of the store. Layout of the store has been strategically designed in order to make effective use of merchandise and passage to draw customers' attention on store's offerings. Reliance Retail has a wide range of merchandise they have both branded and unbranded products like –

- **Home lien items:** Like bed sheets, pillow covers, carpets to kitchen utility items like steel utensils and crockery and other minor utility items required in a house.
- **Electronic items:** Like refrigerator, T.V, vacuum cleaner, music system, vacuum cleaner, washing machine. Etc.
- **Mobile Zone:** A wide range of mobile phones and accessories is available at lowest possible price.
- **Furniture:** All kind of furniture is available that one may require decorating the house.
- **Opticians:** In this section all brands and types fashion glasses are available.
- **Men Ladies and kids wear:** This section includes fashion and casual wear for men ladies and kids both branded and unbranded.
- **Foot wear:** In this section footwear for men women and kids is made available.
- **Toys:** All kinds of toys for children are available.
- **Stationary:** All kind of office stationery and stationery for school going kids is available.

INNOVATIVE MANAGEMENT PRACTICES OF RELIANCE RETAIL:

Big retail chains such as Reliance Retail have set up their own mall management divisions that operate as their subsidiary companies. Reliance Retail are focused the following areas under the innovative management practices.

Infrastructure Management:

Infrastructure management refers to the management of facilities provided to the tenants within the mall. This includes provision of adequate power supply, safety issues in case of emergency and miscellaneous issues related to signage, water supply, sanitation, etc. These form

an integral part of mall management as they are the basic amenities that any tenant would look for in a mall. Infrastructure management also includes risk management issues such as essential safety measure asset liability and environmental audits as well as emergency and evacuation training. It also means optimal utilization of resources to meet organizational needs.

- **Ambience Management:**

The overall shopping experience provided for consumers becomes an important factor for the success of any mall. Ambience management includes management of parks, fountains and overall look of the mall. A mall is not just a place for shopping but is also a place where people spend their leisure time. In favourable, lush green landscaping with seating facilities and the presence of food and beverage inside or outside the mall can increase foot traffic.

- **Traffic Management:**

Traffic management includes managing foot traffic into the mall and parking facilities. Foot traffic management involves crowd management inside the operational area of a mall. The flow of people is related to the design of the mall and the spatial distribution of its tenants. For example, a star-shaped mall tends to have a problem of crowding in the centre of the mall, as everyone has to pass through the centre while moving from one side to the other. Circular malls, on the other hand, would not have this problem. They tend to have better pedestrian flow and less congestion. Managing parking facilities includes provision of ample parking and manoeuvrings of cars in the parking lot. Reliance retail is an example of a successful mall led by good facility management practices.

- **Finance Management:**

Professional financial management of a mall as a business venture is a must. Mall management also covers financial management, which involves monitoring and controlling of various issues such as: cash receipts and collection of income including rentals, service charges, car park receipts, electricity and other utility income developing accounting systems to track the ageing of debts, payment delay patterns, bad debts and payment of all invoices and expenses developing standard financial templates so that a detailed annual property budget is prepared at times, organizing resources to deliver an efficient and effective annual external audit.

INNOVATIVE MARKETING STRATEGIES OF RELIANCE RETAIL:

Exterior Presentation:

The quality of a store front is a major determinant for a customer and the store appearance should never be compromised. The exterior appearance silently announces what customers can expect inside. Good exterior visual merchandising attracts attention, creates interest and invites the customer into business.

Generally the exterior presentation should be progressive, lavish or discount image to the customer. The important point to be noted is that how a store visually welcomes a customer has to do a lot, whether they enter or not.

Exterior Signs:

An effective sign is a silent sales person. A sign must attract attention of customers in less than ten seconds and should convey what the business is and what it has to sell. The size of the letter used in signs should be large enough to be read from a distant place. Elegant design and expensive sign material will convey a business of luxury goods and services. A design of the sign conveys a great deal about the business. Signs can also be used to target a specific market segment such as youth, women, singles etc. Logo is also very important and plays a major role in attracting customers. They should be unique and noticeable. To put it in simple words simple brief, well designed, well lettered and easy to read signs will attract more customers and convey a feeling of welcome to the customers. A stores signs is its identity. It is with the sign that the public recognize the store. Hence it should create an image that can be consistently carried out as an identity of the store.

Marquees:

Marquees are special type of signs used to display stores name. Effective marquees should be designed so as it is different from others and attracts the attention of customers.

Banners:

Banners are economical but colorful and eye catching means of promotion. They can be changed frequently to create different appearances which will in turn attract customers to the store. It will be more effective when the colour scheme and design concept used in the banners are the same as what is used in the store, on promotional materials and newspaper ads.

Entrance and Aisles:

Most of the first time customers remember the store entrance. This goes on with the quote 'first impression is the best impression'. Giving the best impression to the customer's right at the entrance is mandatory for any store. Cluttered aisles makes the shoppers feel uncomfortable and hence leave to a bad shopping experience. Entrances that allow shopping to come into a store without being aware of their entering are also becoming very popular.

Window Displays:

The display at shop windows is becoming increasingly popular as far as visual merchandising stands. Changing window displays to suit themes and moods and seasons is gaining popularity. Special emphasis has to be placed on a store's window displays because they are the information link to the potential customer. It is reckoned that as many as one in every four sales could be the result of a good window display. Window display should attract attention, create interest and invite people into the store to purchase goods. The average amount of time an individual spends looking at a window display is about eleven seconds, and that is the maximum time available to achieve this. Too much of merchandise must not be crowded at a window, as customers find it difficult to determine the message and what items are being promoted.

Interior Presentation:

Selling space is the most important part of a store and therefore, efforts to utilize each square foot will help to maximize sales. When planning interior displays, it should be kept in mind that the theme and image presented on the exterior must be carried throughout the interior of the store to provide consistency for the customer. The purpose of interior display is to develop desire for the merchandise, show what is available, and encourage both impulse and planned buying. Three major goals of a store should be to motivate the customer to spend money, project the image of the store and keep expenses to a minimum. Well-designed displays and in-store promotions are essentials for a consistent theme and to help the customer find advertised items.

Display Design:

An effective way of attracting customers to a store is by having good displays, both exterior and interior. A customer will be attracted to a display within three to eight seconds, which is the time a customer spends to determine interest in a product. Every display should be planned and must

have a theme. Good design makes a visual presentation come together. This means the design attracts attention in a way that strengthens the store image, as well as introducing merchandise to the customer. Sale or promotional good in front of the store should be placed for short period of time only. If the sale or promotion lasts for several weeks, merchandise should be moved to the rear of the store. The customer should always get to see new exciting and creative merchandise with display at the front of the store.

Use of Music:

The store image and the mood of the customers can be changed dramatically by the use of music. Music establishes moods, helps to motivate the subconscious mind and create long lasting impression on the customers. Specific music for particular merchandise can create a good shopping experience and can be an important tool for creating a brand.

Perfumes and Scent:

The other use of stimulation can be use of stimulating the olfactory lobe of the brain. i.e. use of perfumes and scents. Layout having fresh breads and buns, can entice the customers by the aroma. Segments of the store having soaps and toiletries can enchant the customers by the use of perfumes and scents. A pleasing scent can create a wonderful ambience and add to the customers shopping experience. Scent can also be a major factor in determining which product to buy. Everything from perfumes, scented candles, toiletries, cleaning products are all bought while keeping scent in the mind. The scent generally determines which product the customer purchases.

Thereby it is very important for a retailer to stand up to customer expectations and offer them with innovative promotions as purchasing decisions depend on this factor. It thus becomes essential to use historic information in order to study customer behavior, sales pattern during past promotion and product performance.

II. CONCLUSION

- Indian retail industry is becoming one of the high successful businesses due to a large population with good disposable income and tremendous spending power and the world has considered India as a potential market for retailing.
- The growth of the retail trade in India is associated with the growth in the Indian economy. There is very huge potential for the growth of organized retailing in India. By adopting the related strategies, by establishing

open communication between functional departments and maintaining balance between brand building and promotion it can rise enormously and can hold its customers.

- Reliance, when compared with other companies, spends lesser in promotions but believes in reducing prices to attract its customers. It sticks to more of BTL advertising as compared to ATL as its costs less to the company, which it does mostly in its retail sector and new launch products to create an initial buzz among the customers, Reliance Communication's "KarloDuniyaMutthi me" slogan of 2003 and promotional activities of launch of Reliance Jio being the prime examples of this.

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