

“A STUDY ON EXPORTING HYPERMARKET GOODS”

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Abstract:-

Purpose – The hypermarket industry in Malaysia has created a huge momentum for modern retailing concepts. The industry has been developing impressively, and the word hypermarket seems in need of a new definition. There is an overlap of the definitions for hypermarket, supermarket and shopping mall. Thus, the purpose of this paper is to focus on recent Malaysian hypermarket retailing developments that could be used as sources for definition. A few expansion opportunities are also emphasized in this paper.

Design/methodology/approach – A review of the literature from various research studies in the field was made. In order to strengthen the existing findings, practical implementations on hypermarket retailing within the Malaysian market were also studied in this research. In general, this research focuses on hypermarket retailing in the Malaysian scenario.

Findings – Malaysian hypermarkets can be defined using retail developments within the industry as sources for definition works. This industry can also be expanded further through: product brand extension; service experience enhancement; self-checkout technology; coupons promotion; online hypermarket; and one district one industry (SDSI) market intervention program.

Originality/value – The definition of hypermarket in this research paper is streamlined further to differentiate it from a supermarket or shopping mall. With the potential expansion opportunities, it is expected that there will be a clearer path to outgrow this industry.

Keywords Hypermarkets, Malaysia, Retailing, Development, Expansion, Business

Export

Examines the market research activities of UK industrial exporters. First reviews the literature concerned with information for international marketing in general and export marketing research in particular. Describes the method of a research study, comparing the market research activities of exporters in the light of company size and export experience. Analyses the results, finding that companies, once embarked on export activity rely on personal contact with distributors, agents, customers and competitors to gather information concerning the markets they serve, and this information is used equivocally to modify decisions. Finally, discusses the implications for future research and management.

keywords: Export, Information, International trade, Marketing research,

1- Introduction

Entailing begins as a local activity (Severin et al., 2001), which involves a transaction where the buyer intends to consume a product (Liao et al., 2008). Retail and distribution is the most consumer centric industry, which cover a wide spectrum of different businesses (Macdonald, 1994). There has been an intense transformation of the retailing industry over the past few decades, which has seen consumers making fewer trips and spending less at traditional shops since they are more attracted to modern retailing concepts (Morganosky, 1997). New and huge retail players have threatened and taken away the opportunity of small local grocery players (Gonzalez-Benito, 2005;

Hare, 2003) including in suburban areas (Hare, 2003). The modern retail environment offers diverse product labels, quality, price and brands (Burt, 2000). It is also becoming more diverse and fragmented with an overload of information and alternatives (Liao et al., 2008).

Consumer will perceive a retailer as a whole rather than in isolation (Slobodan et al., 2007). Retailing is a highly diverse and dynamic sector (Jones et al., 2005) that provides a supply of most household necessities to the consumer. The importance of retailers to the manufacturer depends on the number of players in the industry (Collins and Burt, 2003). The retailing industry is one of the biggest contributors towards Malaysia's gross domestic product (GDP) and also provides employment opportunities (Mui et al., 2003). Weld Supermarket was the first modern retail format that was introduced in Malaysia in 1963 followed by other modern retailers (Kaliappan et al., 2009). The first hypermarket that was introduced in Malaysia was Macro, in 1993 (Lee, 2004).

Hypermarket retailing is one of the forms of modern grocery retailing in Malaysia that is experiencing widespread expansion, and the industry is expected to expand continuously and remain immune to the maturity phase.

Hypermarket retailing

In general, the word hypermarket has still not been defined clearly. The definition for hypermarket is also being used for supermarket and shopping mall by some researchers. Consequently, the issue arises of how to differentiate hypermarkets, supermarkets and shopping malls. Most products in hypermarkets are based on fast moving consumable products, and the majority of departments in hypermarkets are selling basic household necessities, for example, food, vegetables, kitchen materials, and cleaning materials. In supermarkets, there are more departments that sell durable products. For example, we can get more varieties or brands for clothes, shoes and electrical products. A shopping mall is a retail concept where there are many sub-retailers within one roof. Usually more than half of the overall layout in the building is being rented to sub-retailers. The layout of the building is purposely designed to be rented to other sub-retailers to earn revenue from rental. According to Basso and Hines (2007), the way consumers define retailing and how the quality and service level is perceived depends on price, store appearance and image, which is communicated through commercial medium. However, the perception will fade upon maturity.

The concept of everything under one roof, self-service, discount price and free parking have invented a new word in the industry – hypermarket (Klamath and Godin, 2001). A hypermarket can be defined as a modern household retailing concept that sells a combination of department store merchandise and groceries in wide assortment, within a store of more than 2,500 square meters (27,777.7 square feet) to over 8,000 square meters (86,000 square feet) (Malaysian Magazines, 2003), which includes a free and large parking area and other services. Based on a combination of perspectives from various authors, a hypermarket is mainly based on self-service (Swoboda et al., 2011) that sells a variety of retailer product brands, manufacturer product brands and generic products (Esbjerg and Bach-Larsen, 2018). Intangible assets, such as product brands, retail formats and managerial technology are features of the retailing sector (Doherty and Quinn, 1999). All of these are offered by almost all hypermarkets.

Nowadays, hypermarkets could be considered as a modern retailing format that provides everything under one roof. Although this concept is similar to the existing shopping center, hypermarkets focus more on fast moving consumer products

1.1-ONLINE HUPERMARKET EXPANSION

With intense competition and high population in certain areas, especially in urban and suburban areas, electronic hypermarkets could become an alternative for those who prefer to stay away from stressful congestion. Although electronic hypermarkets have been introduced and accepted by consumers in certain countries, especially in the Western countries, this concept has not been implemented in Malaysia. In fact, there has been no research made on the Malaysian market concerning how consumers will behave towards purchasing basic fast moving consumption necessities and products through the internet. Thus, this new strategy could be a new gap for both practitioners and researchers to explore in the Malaysian market. To ensure that all implementation efforts are successful, it would be better to prioritize the research findings concerning how the consumer will behave

1.2 - EXPORT:

Report Highlights: With per capita income of over RS 2500000 and a middle and upper class making up 50 percent of the population, Malaysia shows good potential for growth as a market for high value consumer products. Best **INDIAN** product prospects include fresh fruits and vegetables, pet food, dried fruits, nuts, frozen potatoes and processed juices

2- MARKET OVERVIEW

India announced its “Look East” policy in 1991 in an attempt to increase its engagement with the East Asian countries. Consequently, in 1992, it became a sectoral dialogue partner of the Association of Southeast Asian Nations (ASEAN). ASEAN, which is a geo-political and economic organization with 10 member countries, was formed in August 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since then, the membership has expanded to include Brunei Darussalam, Cambodia, the Lao People’s Democratic Republic, Myanmar and Viet Nam. ASEAN’s objectives are to accelerate economic growth, social progress and cultural development among its members, protect the peace and stability of the region, and provide opportunities for the member countries to discuss their differences peacefully

3-Malaysia is politically and economically stable: open to foreign trade. Transportation, communications, banking and health services are modern and efficient. With a population of 31.4 million, it is one of the most developed nations in Southeast Asia. About half of its population falls in the middle to upper income group of consumers with GDP per capita 2015 income of \$9,152. Its economy has a firm foundation that includes strong unfaltering, service and agricultural sectors. The economy grew by 5 percent in 2015, higher than expected due to strong domestic demand. Moderate growth of 4.5-5 percent continued in 2016 despite the uncertainty in the global economic environment, fiscal consolidation and cheaper oil prices. The economy is expected to expand by 3 percent in 2017. Inflation remains at a moderate rate between 3 to 4 percent (note that approximately 30 percent of goods are price-controlled). The Malaysian food and beverage market is developed and sophisticated and supplied by both local and imported products. Urban consumers are brand conscious and prefer to shop in stores, which offer comfort, convenience and good product selections. Hypermarkets/large format stores are the dominant format in urban/metropolitan areas in Malaysia with about 50 to 60 percent of urban household shoppers using them as the main outlet for most of their packaged groceries. Traditional markets are losing ground, but are still important

4-Methodology:

A complete analysis of trade and trade-related issues requires an analytical framework that takes into account a holistic view of the economies across the world. This is because not only are interlinkages present between various sectors of an economy; sectors in an economy are also linked to the rest of the world through, for example, exports and imports of final products, intermediate goods, capital goods. Thus, linkages are present at the national, regional and global levels both in terms of products and in the input markets. Thus, in order to fully take into account these interlinkages, the present study used the Global Trade Analysis Project (GTAP) as the analytical tool. The CGE modeling framework of GTAP is one of the best possible ways of analyzing, ex ante, the economic consequences and trade implications of multilateral and bilateral trade agreements

4.1-General Import and Inspection Procedures

All food consignments are subject to random checking and sampling at the 34 entry points around the country to ensure food items imported into the country are safe and comply with the prescribed standards and regulations. All meat, poultry and dairy product shipments must be accompanied by appropriate USDA documentation. International freight forwarders normally handle documentation and other formalities with authorities at entry points. Provided all necessary documents are in order, no problems or delays should occur in clearance of goods.

4.2-Halal requirement and certification

All beef and poultry products must be certified halal, and products must originate from slaughterhouses that have been inspected and approved by the Malaysian veterinary and religious authorities. An Islamic Center approved by the Malaysian Islamic Development Department (JAKIM) must supervise the slaughter and processing and issue the halal certificate for meat and poultry. The Islamic Center must be listed by the packing plant on the original JAKIM application form or the application must be appropriately amended to make use of a new Islamic Center. U.S. exporters should also be aware that importers might request additional certificates, which are not required by the authority, either to meet the demand of their own customers or for marketing purposes. For further processed food (which contains no meat), there is no known requirement for any certificate, but exporters are encouraged to acquire halal certification from approved Islamic Centers(<http://www.halal.gov.my/v4/index.php/en/badan-islam/badan-luar-negara-diiktiraf>) to cater to the Muslim consumer market as Muslims account for more than half of Malaysia’s population and Muslims consume foods that are halal.

The Halal Certificate should accompany the shipment and the products should have the approved Islamic Center's halal logo on their packaging for information and marketing purposes outlets for fresh fruits and vegetables

• Key Entry Strategies for US Exporters

1. Ensure quality of raw food materials to instill manufacturers' confidence.
2. Acquire halal certification to cater to the Muslim consumer market.
3. Emphasize the competitive advantage of the exporter's products to the food manufacturers.
4. Market and promote to increase awareness among food manufacturers.
5. Establish an efficient distribution network to maximize market penetration

TABLE C: Top 10 Suppliers of Consumers Food

CONSUMER -ORIENTED AGRICULTURAL TOTAL – (USD1, 000)

RANK	IMPORT MARKET	2016	2017	2018
1	CHINA	909,987	936,645	1,058,223
2	INDIA	694,240	699,065	704,088
3	NEW ZEALAND	695,512	743,529	633,800
4	THAILAND	525,564	537,226	548,609
5	AUSTRALIA	510,428	553,325	486,840
6	UNITED STATES	533,542	548,750	480,516
7	SINGAPORE	393,753	394,799	381,996
8	INDONESIA	301,090	319,163	304,031

5-Objective of the study

The results of the simulations were then used to assess the impact of liberalization on India and ASEAN members as well as on some other countries. The welfare implications of the FTA for the countries involved were studied in the case of where (a) perfect competition and constant returns to scale and imperfect competition, and (b) increasing returns to scale characterize the production structure in the Indian economy. Thus, the study revealed different and possibilities of welfare other macroeconomic implications, which will help policymakers to assess the actual situation so that a proper domestic policy can be formulated as this agreement gradually takes effect.

5.1- Literature review

The negotiations between India and the ASEAN representatives during the past few years have created considerable interest among researchers across the world. Pal and Disgust (2009) studied the tariff schedule of India and made a preliminary evaluation of the India-ASEAN FTA. By analyzing India's commitment schedule, and by studying the production structure of the ASEAN members, the present study concluded that sectors such as tea, spices, coffee and rubber will be negatively affected. The marine products, textiles and garments, and auto components industries are also likely to face increased competition. The study points out that the net effect of the trade agreement crucially depends on the ability of the Government of India to redistribute some of the increased wealth gained from this trade agreement to those industries negatively affected

by the agreement. Pal and Disrupt (2008) concluded that, on the basis of a similar study, India was unlikely to benefit in the short term from the India-ASEAN FTA. They pointed out that ASEAN was not a natural trading partner of India, and, unlike China, has not established close relations with the region. However, the agreement may make strategic sense in the long term, if India looks at the option of becoming a hub for services exports to the ASEAN region.

5.2- Regional and sectoral aggregation used in the study

The 113 regions of the world were aggregated into 20 regions for the purpose of this study. They are Cambodia, India, Indonesia, the Lao People's Democratic Republic, the Philippines, Malaysia, Myanmar, Singapore, Thailand, Viet Nam, the rest of ASEAN (comprising of Brunei Darussalam and Timor-Leste) as well as China, the European Union, the United States and the rest of West Asia (comprising of Bahrain, Iraq, Israel, Jordan, Kuwait, Lebanon, Palestinian Territory, Qatar, Oman, Saudi Arabia, Syrian Arab Republic, United Arab Emirates and Yemen), Bangladesh, Pakistan, Sri Lanka, the rest of South Asia and the rest of the world. In this aggregation, Brunei Darussalam and Timor-Leste are taken as part of the rest of South-East Asia as per the regional aggregation in the GTAP 7 database. The other countries of the world have been classified keeping in mind the main trading partners and neighboring countries of India, so that the impact of the India-ASEAN FTA on those countries may be examined.

5.3- Impact on bilateral trade between India and ASEAN

Section E shows the total trade increase in India and the ASEAN region following FTA implementation, whether with either full trade liberalization or with liberalization taking into account the tariff commitments of the countries under the current scenario or the ultimate scenario. This subsection takes a closer look at bilateral trade between the two partners, India and ASEAN, under the different scenarios. It is evident from figure 1 that bilateral trade between India and ASEAN steadily increases (from 32.79% under the current scenario to 62.69% under full liberalization) as the scope of the FTA widens with regard to the number of countries and products involved.

Both India and the ASEAN members gain substantial access to each other's' markets following the implementation of the FTA (table 7). However, under all circumstances the market access gained by the ASEAN region in India is substantially higher compared to India's access in their region.

6 - Specific objectives

- To provide cheap products
- Control shrink, expenses, and payroll.
- Ensure sales floor is adequately stocked, signed, and merchandised to brand presentation.
- Continually evaluate and react to performance issues while proactively hiring, developing and retaining the store's team in a timely manner.
- Analyze and measure business trends; develop and implement plans to maximize sales and meet or exceed goals and objectives.
- Innovations
- Keep the environment within the organization conflict free.
- Never ever compromise on rules and regulations.
- provide best possible services
- To keep the environment clean and tidy so that customers doesn't get any messy view.
- Provide high quality, fashion basics at value for money prices.

Critically evaluate the strengths and weaknesses, taking into consideration all the environmental factors.

Strengths:

The Primark products are in good quality as compare to their competitors, that's why customers prefer their products than any other stores products. Primark has many outlets which are easily accessible to their customer which we can easily find in every high street and town centre.

Primark has valuable brand among their customer that's the reason that every outlet is full of crowd of customers.

Primark products are affordable to their customer while their competitors are expensive their products for example the majority product of Primark under £10 which are very low price which attract the customers for buying.

They are very good in management and keep properly recruited staffs which help in satisfying their customers.

Primark has modern fully equipped information systems which are help full in managing the organizations, which is help full in increasing their productivity profit and preventing any loss for organization.

Primark has diversified in different products which cover the needs of kids, mans, women's and youngster, that's why we see every type of products for every customers.

In my opinion the shop Primark is an absolute gift to all those students and people who are strapped for cash and need something new to brighten up their wardrobe! Primark is a large shop in many shopping malls in towns across the country which sells fashionable and reasonable quality clothes for a bargain price.

These days' clothes are more expensive than a few years ago, meaning children and students buying clothes can get far less for what they spend, but alas there is a savior, Primark came along selling the same type of clothes as Top shop, Miss Selfridge, and accessories as Accessorize for a tenth of the price.

Weaknesses:

Although Primark has low prices but opinion of many customers is not trust trustworthy because their are thinking if we buy in low price than products will be not durable. Their stores products are not properly set for their customers so there are the main problems with Primark. Untidy, messy, crowded, and hot and generally a very tiresome, hot and bothered shopping experience but lets not over look their redeeming features.

The customer's services in most cases fail to help their customers in providing their choice, size and color so their fore most customers are not happy and dissatisfy their customers from the organizations, which make bad image among their customers, and directly impact the selling of organization.

They layout Primark's products are not properly managed which create bad impact on the customers, so their fore the organizations should properly manage the products in specific sections which should help in finding the products for the customers.

Primark outlets have no car park area which cause difficulty for the customers which losing so many customers because of their no proper car parking area, as majority their competitors have their own car parking area.

In Primark's customers services are very few while customers in crowd that's why you see long and long queues, which are very big problem for their customers, while their competitors properly manage their customers, and you never see long queue there.

Recommend a strategic model for the organization. Justify the choice of the mode

7- Demography and the Dimensions of Service Quality

1) The male customers are quite diffident towards the dimensions Reliability, Supermarket's Policy, Value Added services and Quality Products. The supermarkets should take measures in the areas of error free transactions and records, still better behavior from the employees of the supermarkets, and keep such products which required by both male and female customers.

2) As far as Supermarket's policy is concerned, the operating hours of the supermarkets are not so convenient for the male customers. The supermarkets try to extend the operating hours (both in morning and evening hours) so as to cater to more number of male customers too.

3) As it not fair to suggest supermarkets to provide car parking facilities, it is advised that the supermarkets can take some surrounding empty places on rental basis for this purpose. This can be done at least during weekends or busy days of business.

4) As the present generation is more relying on the plastic money, supermarkets should have facilities to accept all kinds of payment cards in the outlets, instead of accepting only VISA or Master Cards or Maestro cards

8- CONCLUSION

The study shows that more number of customers is visiting the trendy supermarkets of-late. We are also witnessing a large number of retailers entering the market in different kinds of formats. This means that there would be increase in the competition among the existing players as well as the new entrants in the market. The best way to beat the competition by the existing players is to have a through introspection into their marketing basics. Since retailing is part of service industry, the dimensions of service quality can be a good guideline for the supermarkets to re-align their strategies towards the ultimate consumers. It is the right time to employ some changes in their basics. Superior levels of service quality among the supermarkets can act as a barrier for the new entrants too. It has been proved by many studies that superior service quality leads to better customer satisfaction which in turn leads to customer loyalty.

BIBLIOGRAPHY

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