Impact of Marketing Activities on Vishal Mega Mart

[1]Shivam Bhati, [2]Dr. Neha Bhatia

Bachelor of Business Administration School of Business Galgotias University, India.

Executive Summary

This research report is based on a 45-day industrial training undertaken at Vishal Mega Mart, Welcome Store, Delhi. The primary objectives of this study were to observe consumer behavior, assess sales trends and customer footfalls, understand in-store processes such as layout and planogramming, and evaluate the effectiveness of marketing activities in comparison with local competitors. The analysis utilized both primary data (through surveys and observations) and secondary data (such as store records and sales reports) to draw comprehensive insights.

Objectives of the Study

- To investigate consumer behavior specific to Vishal Mega Mart.
- To identify the main factors influencing customer purchasing decisions.
- To analyze sales and customer footfall trends.
- To explore the impact of marketing activities and in-store promotions.

Introduction to the Retail Industry

Retailing involves the direct sale of goods or services to end consumers for personal or household use. In India, the retail sector is broadly classified into:

- Organized Retail: Comprising licensed retailers such as Vishal Mega Mart, which operate under registered entities with fixed formats.
- Unorganized Retail: Including small, traditional businesses like kirana stores and street vendors.

While global players like Walmart, Tesco, and Costco dominate international retail, the Indian market features key competitors such as Big Bazaar, Reliance Retail, and Vishal Mega Mart.

Company Profile: Vishal Mega Mart

Vishal Mega Mart was established in 1986 in Kolkata. It has grown to operate over 126 showrooms in 83 cities across 20 states. The company offers a diverse product portfolio of over 70,000 items, including apparel, groceries, electronics, footwear, and homeware. It is positioned as a value retailer emphasizing affordability and family-focused fashion. The company aimed to expand to 190 stores by FY09 and 500 stores by FY11.

Store Overview: Welcome Store (Delhi)

The Welcome Store spans approximately 19,500 square feet over two floors. Located next to the Welcome Metro Station, it benefits from high foot traffic and limited immediate competition. The store reports an average monthly sales volume of ₹1 crore. Nearby competitors include small-scale players like Subhiksha and Salasar.

Consumer Behavior Study

A survey of 500 customers provided insights into consumer preferences:

- 260 customers preferred Vishal Mega Mart over competitors.
- 290 customers visited once a week, and 70 visited daily.
- 390 respondents valued product variety, while 80 prioritized promotional offers.
- 380 customers preferred homeware and household goods.
- More than 60% of respondents expressed satisfaction with pricing, quality, and staff behavior.
- 430 customers preferred cash payments, and 320 resided within 5 km of the store.

- The dominant age group was 15 to 25 years.
- The majority of shoppers were students and homemakers.
- 270 had no income, and 172 earned between ₹10,000 and ₹20,000 per month.

Research Methodology

- **Research Type:** Descriptive
- **Sampling Method**: Non-probability convenience sampling
- **Sample Size**: 75 respondents for focused analysis
- **Data Sources:** Primary (surveys, interviews), Secondary (sales data, footfall logs)

Retail Operations

Planogram: This is a schematic visual representation that dictates the placement of products on shelves to make the store aesthetically pleasing, assist customers in finding products easily, and optimize shelf space utilization. It also serves as a tool for promoting high-margin products.

Visual Merchandising: Refers to the creative and strategic display of merchandise aimed at enhancing customer experience, driving impulse purchases, and increasing product visibility. Effective visual merchandising combines design, lighting, and layout principles to create an attractive in-store environment.

SWOT Analysis

Strengths:

- Competitive pricing, extensive product variety, strong brand equity, and high customer satisfaction.

Weaknesses:

- Need for better-trained personnel, insufficient emergency lighting, and issues with layout maintenance.

Opportunities:

- Expansion into untapped markets, potential for partnerships with high-quality vendors.

Threats:

- Aggressive strategies by competing retailers, inadequate infrastructure (especially during adverse weather conditions).

Sales and Footfall Analysis

Sales data indicated a downward trend in certain months. The main reasons included:
- Reduced customer footfall due to monsoon weather.
- Staff unavailability caused by manual stock audits on Mondays.
- Nearby competitors attracting customers with targeted marketing campaigns.

High-performing product categories included homeware and apparel. On the other hand, the fast-moving consumer goods (FMCG) segment underperformed, primarily due to stockouts and limited variety.

Comparative Study: Competitor Offers

Product	Vishal	Big Bazaar	Salasar	Subhiksha
Sugar (5 kg)	₹95	₹101	₹101	Free with purchase > ₹2000
Fortune Oil	₹90	₹78	-	-
Shakti Bhog Atta	₹183	₹184	₹160	-

Conclusion: Vishal Mega Mart remains price competitive in certain segments but lags behind in offering variety in others.

Key Findings

- Overall customer satisfaction levels are relatively high in terms of price and product variety.
- Customers expressed a desire for more branded FMCG products and a better selection in the Techno Mart (electronics) section.

- Store announcements and promotional campaigns lack consistency and regularity.
- Issues related to staff interaction and store layout design require attention.

Recommendations

- Expand the product range to include in-demand FMCG items and electronics.
- Increase brand visibility through localized advertising, customer loyalty programs, and promotional events.
- Address store infrastructure issues, including the installation of emergency lighting and waterproofing.
- Organize the apparel section by size for easier browsing.
- Utilize vacant gondolas to create more visually engaging displays.
- Provide staff with regular training sessions to improve customer service and sales techniques.
- Introduce family-friendly amenities such as children's play areas or entertainment corners.
- Add a small food court or café to increase customer dwell time and enhance the shopping experience.

Conclusion

Vishal Mega Mart has successfully positioned itself as a leader in the value retail segment by offering a wide variety of affordable products. However, maintaining its competitive edge requires continuous improvements in operational efficiency, customer service, and strategic marketing. Particular attention must be given to store upkeep, employee training, and better promotional planning to strengthen customer loyalty in high-competition areas like Delhi-NCR.

Glossary of Retail Terms

- Gondola: A free-standing display unit used to showcase merchandise.
- SKU (Stock Keeping Unit): A unique code for identifying each product.
- Planogram: A diagram or model that indicates product placement on shelves.
- POS (Point of Sale): The place where retail transactions are completed.
- Visual Merchandising: The practice of designing product displays to attract customers and drive sales.