



Assessment of Retailers Marketing Trends of Dairy Products in Khartoum, Sudan

Fawi, N.M.T* and Gedo, H.M

Abstract

Supermarket retailers in Khartoum State were the target of the study, where intentionally chosen random samples of 135 shops during 2013 were studied through collecting data using a scientifically structured questionnaire. The objectives of the study were to analyze the role of the retailers in the dairy product marketing value chain; classify and describe retailers' marketing efforts and elaborate the market power of retailers towards consumers and input suppliers. Data collected were analyzed using the SPSS statistical programme. The study showed the role and importance of the retail sector that it could be considered a promising enterprise specially when considering dairy products marketing, some recommendations were thus made to yet enhance this impact through adoption of extensive communication and promotional efforts and that manufacturers should adopt joint promotional efforts with the retailers to boost product sales.

KEYWORDS: RETAILERS, DAIRY PRODUCTS, COMMUNICATION, PROMOTION

المستخلص

هدف البحث الى دراسة قطاع تجارة التجزئة ممثله في محلات السوبرماركت في ولاية الخرطوم حيث تم اختيار عدد 135 عينة عشوائية تحكمية وقد تمت الدراسة خلال العام 2013. وتم جمع بيانات البحث باستخدام الاستبيانات حيث هدفت الدراسة الى تحليل دور تجار التجزئة في سلسلة القيمة التسويقية لمنتجات الالبان من خلال تصنيف ووصف الجهود التسويقية لتجار التجزئة نحو المستهلكين والموردين. تم تحليل البيانات باستخدام برنامج الحزمة الاحصائية حيث خلصت الدراسة الى بيان اهمية قطاع تجارة التجزئة وانه يشكل عاملاً وادعاً في تسويق منتجات الالبان، وقد تم استخلاص بعض التوصيات منها أن على قطاع تجارة التجزئة تعزيز دورهم من خلال تكثيف الجهود التسويقية والاتصالات، اضافة الى انه يجب على المنتجين اعتماد جهود ترويجية مشتركة مع تجار التجزئة لتعزيز مبيعات المنتجات.

* Correspondence author: Department of Dairy Production, Faculty of Animal Production, University of Khartoum, Khartoum, Sudan

Introduction

2005). In India the emergence of modern milk marketing chains is posing stiff competition for the existence of traditional milk market agents (Kumar, 2010). Retailers perform several decisions including

Dairy marketing today is fiercely competitive, moving from a product and sales philosophy to a consumer oriented market hence marketers, processors and producers in the dairy field must fully orient their strategies towards understanding aspects leading to consumer satisfaction (Fawi & Abdalla, 2013). An increasing market concentration in food retailing has generated concerns about the market power of retailers towards consumers and input suppliers (Salhofer *et al.*, 2012). In the Sudan though retailing is growing at a slow rate nevertheless their impact on both consumers and producers is not to be denied. Retailing has been defined by Kotler and Keller (2006) as all activities involved in selling goods or services directly to final consumers for personal, nonbusiness use, this can be understood in terms of store retailing, nonstore retailing and retail organizations. In today's modernized market, retailers play the role of a "gatekeeper" within many product chains connecting suppliers with consumers and vice versa and being in direct contact with consumers they exert significant influence on what products consumers want to buy, and how they use and dispose them, on the other hand, they reach out to suppliers worldwide bearing the opportunity to encourage profitable production practices, retailers can directly influence consumer choice at the sales point (Fawi, 2012). Worldwide retail of dairy purchases are growing at widely different rates in response to rising incomes and expanding urban populations, mass media promotions and new forms of retail channels are also driving growth in countries where dairy products are only beginning to reach consumers (Fuller *et al.*, those on price, price promotions, traditional non-price support like feature advertising and displays, and other in-store communications such as TVs, shelf talkers, and shopping cart advertising that are now commonly bundled under the phrase "shopper marketing" (Grocery Management Association, 2007). Communication includes all instruments and measures used by an enterprise for its services to target groups (Bruhn, 2007). In retail, this presentation is oriented both towards the inside

"employees" and the outside "market" (Liebmann *et al.*, 2008). Price on the other hand occupies a central place serving the development and application of general business strategy (Bruhn, 2007). Despite lack of research, manufacturers have tended to consider retailers as an important source of information about consumers and have sought their help to gain a greater understanding of the marketplace (McClure & Ryans, 1968). Increasingly, retailers are also finding it useful to focus attention on the value that individual customers or groups of customers bring to the retailer (Kumar *et al.*, 2006), and the impact that groups traditionally considered undesirable. In a study performed on Khartoum retailers Fawi (2012) outlined that the retailer's role spectrum in marketing dairy products should be more widened to allow upgrading from being only an outlet for selling purposes, to a more vital role in the marketing procedure via implementing extensive communication and promotional activities. The objectives of the study were thus to; (1) analyze the role of the retailers in the dairy product marketing value chain, (2) classify and describe retailers' marketing efforts, (3) identify the market power of retailers towards consumers and input suppliers.

Materials and Methods

The study was conducted during 2013 in Khartoum State, the capital of the Sudan. The retailers in supermarkets were the targeted population of the study. Khartoum state was divided into three major consumption areas; Khartoum, Khartoum North and Omdurman, each were divided into three subareas according to their socioeconomic standards. An intentionally chosen random samples were implemented which were: high standard subareas, medium standard subareas and low medium subareas, reaching a total of 9 subareas in the three main consumption areas, to ensure the inclusion of a wide spectrum of consumer behavior. A quota sample of 45 shops in each subarea was selected to obtain a total sample size of 135 supermarkets. The study was mainly based on primary data collected from the selected sample through a scientifically structured questionnaire; collected data were then analyzed using the computerized Statistical Package for Social Sciences (SPSS, ver. 14).

Results and Discussion

Table 1 show that more than half (57%) of the retailers under study depend on purchasing dairy products directly from processors' distribution cars revealing the strong link between the retailers and processors. These results were in accordance with Fawi (2012) who stated a strong link between retailers and processors. The majority (90.4 %) of the retailers uses their shops as the main marketing channel and 65.2% assume that they cover more than half the consumer market demand for dairy products, indicating the strong participation of retailers in the dairy supply chain.

The data in Table 2 revealed that most retailers (82.2%) do not perform any promotional efforts where 42.2% think that producers already perform enough promotional efforts and 30.4% depend on their shops' The reputation probably depending on word of mouth (buzz) as a free promotional method. Small number of retailers who perform promotional efforts have no definite steady methods, although more than half (57.8%) of the retailers under question think that promotional efforts are extremely effective in boosting sales. However the participation from their side is considered below average indicating

Table 1: Retailer's purchase source of dairy products, marketing channels, and percent of total market covered

Retailer's purchase source of dairy products		
Item	No.	Frequency
Directly from the dairy plant	12	8.9
Directly from the distribution centers	04	2.9
Directly from the whole sellers	41	34
Directly from the processors' distribution cars	78	57
Retailer's marketing channels		
Retailer's own place	122	90.4
Home delivery	0	0
Through a salesperson	8	5.9
Other	5	3.7
Percentage of Total market covered by retailer		
10-25 %	13	9.6
25-50%	30	22.2
50-75%	88	65.2
100%	04	3.0

Source: Primary data 2013

that retailers have low awareness regarding the impact of promotional strategies on sales considering it as an extra money burden on their budget.

Table 2: Retailer's performance, promotional efforts, reasons for not promoting and categorization of producers' promotional efforts

Retailers performance of promotional efforts		
Item	No	Frequency
Perform promotion	24	17.8
Do not perform promotion	111	82.2
Reasons for not performing promotion		
Retailers depend on shop reputation	41	30.4
Producers already perform enough promotional efforts	57	42.2
Other reasons	13	9.6
No answer	24	17.8
Type of promotional efforts		
Media	2	1.5
Brochures	3	2.2
Bill boards	5	3.7
Other promotional efforts	14	10.4
Categorization of producers' promotional efforts		
Extremely effective	78	57.8
Effective	48	35.6
No opinion	01	0.8
Not effective	05	3.7
Extremely not effective	03	2.2

Source: Primary data 2013

The present results indicate the importance of creating awareness in regard to value of promotion as stated by Bruhn (2007) who indicated that promotion decisions are vital in the retailer customer - management strategy. Table 3 reveals that when considering the marketing mix strategies implemented by retailers most of them (45.2%) consider the location of the shop to be of first consideration followed by 39.3% who consider promotion of more importance, 35.6% consider price of utmost priority, while 45.2% consider packaging as more important. Such results clearly indicate the good awareness of most retailers considering the importance of each of the marketing mix strategies; this could well be understood with the emergence of several modern supermarkets in Khartoum introducing yet a new trend in consumer shopping relative to traditional ones. According to Lazer & Kelly (1961) classical retail marketing mix

includes all the goods and services a store is able to offer to consumers and also all the programmed efforts of the managers that adopt the store to the market. Table 4 show that pricing strategy is solely dependent on prices set by the producers (82.2%). Most retailers (57.8%) are affected by the producers salesmen approach and that most (48.2%) of retailers purchase more than three times/ week indicating that there is high demand for dairy and that retailers are an important outlet for consumers in regard to dairy products.

Table 5 reflect that most retailers say that there are governmental measures that limit the development of dairy marketing products, and 49.6% of the retailers under study consider that dairy marketing is a profitable enterprise. This indicates that there is a flourishing market specially when implementing modern marketing strategies such results agree with Elwasila and Fawi (2014) who reported that the investment in the

Table 3: Effect of marketing mix on dairy products' sales

Effect of promotion		
Item	No	Frequency
Extremely effective	53	39.3
Effective	58	43
No opinion	4	3
Not effective	9	6.7
Extremely not effective	11	8.2
Effect of price		
Extremely effective	48	35.6
Effective	40	29.6
No opinion	4	3
Not effective	25	18.5
Extremely not effective	18	13.3
Effect of packaging		
Extremely effective	42	31.3
Effective	50	37
No opinion	3	2.2
Not effective	10	7.4
Extremely not effective	8	6.5
Effect of place		
Extremely effective	61	45.2
Effective	37	27.4
No opinion	5	3.7
Not effective	23	17.0
Extremely not effective	9	7

Source: Primary data 2013

Dairy production sector is profitable and promising.

Table 4: Retailers pricing strategy, effect of producers' salesman on retailers purchase and purchase frequency

Retailers pricing strategy		
Item	No	Frequency
Adding profit margin	18	13.3
According to demand and supply	04	03
According to the market price	02	1.5
Price is set by producers	111	82.2
Effect of salesman on the purchase		
Extremely effective	78	57.8
Effective	48	35.6
No opinion	1	0.8
Not effective	5	3.7
Extremely not effective	3	2.1
Retailers purchase frequency		
On daily basis	25	18.5
3-6 times / wk	45	33.3
> 3 times / week	65	48.2

Source: Primary data 2013

Table 5: Existence of governmental measures, and profitability of marketing dairy products

Existence of governmental measures limiting the development of dairy marketing		
Item	No	Frequency
Strongly agree	18	13.3
Agree	22	16.3
No opinion	25	18.5
Do not agree	42	31.2
Strongly do not agree	28	20.7
Profitability of marketing dairy products		
Strongly agree	32	23.7
Agree	35	25.9
No opinion	5	3.7
Do not agree	30	22.2
Strongly do not agree	33	24.4

Source: Primary data 2013

Conclusion

The study clearly revealed the role and importance of the retail sector in the dairy value chain and that it can be considered as a promising enterprise specially when considering dairy products marketing, the following recommendations are intended:

- 1- The retailers' vision in marketing should further be upgraded through adoption of extensive communication and promotional efforts.

- 2- Manufacturers should adopt joint promotional efforts with the retailers to enhance boost product sales.
- 3- The retailers system being considered the gateway between processors and consumers could be used as a main market research tool that assists producers in setting marketing goals and strategies.
- 4- More research should be advocated for classifying and analyzing the role of the retailer system.

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