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Marketing mix diversification in Retail: The case of Sim Delice in  
Cameroon

BY

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## **Abstract**

Marketing mix and marketing strategies are part and parcel of every business opportunity that entrepreneurs venture in. In retail, there are key practices of marketing strategies and marketing mix elements that retail have to embrace to experience growth in business. With the continuous growth in the retail industry, marketers are always searching for ways to attract consumers to their products. The current study aimed to determine the marketing mix and marketing strategies that are appropriate for STP systems for use in the retail industry. In addition to that, the study also aimed at examining how retail formats affect marketers' decisions in choosing the appropriate marketing strategies and marketing mix elements for their businesses. Using both qualitative and quantitative methods, the study focused on the case of supermarket Sim delice in Cameroon to study retail format and the STP systems. The findings from both qualitative and quantitative data indicated that there are a number of marketing strategies that can be used in alternation together with various marketing mix elements in retail. Also, the study revealed that retail format is significant when choosing the most appropriate marketing strategies and marketing mix in a retail business.

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# Chapter 1

## Introduction

Marketing is a critical aspect in ensuring the business growth. According to Blotnicky (2009), a study in the USA and Canada showed that in the recent past many enterprises have adopted marketing concept as a source of critical business success factor. This concept is considered very critical in any supermarket growth and success. A supermarket hereby is defined as a self-service store which handles predominantly drugs and food as well as other fast-moving consumer goods (FMCGs) (Nielsen, 2002). To differentiate supermarkets from other retail outlets and shops, Nielsen (2002) further stated that a supermarket floor space should be at least 1625sq.ft (150M<sup>2</sup>).

Currently, the number of supermarkets has been on the increase all over the globe. To improve competitiveness, supermarkets have been over time adopting aggressive strategies to attract customers. This has been further heightened by the emergence of a new format of supermarkets and hypermarkets witnessed all over the globe as well as competition between different supermarkets (Melanie and Marian, 2011). According to Business Wire (2014), African countries have been undergoing internal developments in business sectors that previously were held by foreign products. One of the major steps in these developments is in the growth and development of the retail industry.

In Cameroon, grocery retailers have been shown to be leading the route in the Cameroonian retail industry in 2016 (EuromonitorInternational, 2016). However, the non-grocery retail specialist also recorded some noteworthy current value growth. The dominance of grocery retailers can be attributed to the rise in the number of middle-income consumers who have the need for the fast circulation of fast moving consumer products. In addition to that, the



availability of greater brand variety in products which range from grocery to non-grocery items that are offered at quite competitive prices to provide the consumers with affordable goods as a result of goods promotions and discounts to satisfy both local and foreign markets have also played a role in the growth of the retail industry.

The diversification in marketing strategies and marketing mix is one of the major reasons why the retail industry is one of the most growing industries. However, in Cameroon, the system of marketing mix being used for marketing retail products is not as efficient and this is a major issue for business growth. The current study aims to investigate the STP informed marketing strategies and marketing mix that can be used for business growth, using the case of Supermarket SIM DELICE in Bafoussam, Cameroon.

## **1.1 Background information**

Currently, consumers have the need for the total customer experience when conducting their shopping activities. They have the need for an emotional connection, fair prices, and convenience among others, which are the basic elements held in the marketing mix systems. Marketing mix has been previously defined as the combination of elements of marketing that marketers use to realize their goals as well as satisfy the target market (Familmaleki, Agighi&Hamidi, 2015). According to Nour, Almahirah&Freihat (2014), marketing mix includes a planned set of sensible and dependable elements which organizations use to achieve their organizational goals. These include all activities which are directed towards the consumers, to facilitate the marketer's engagement with them to indicate the significance of the goods and services and to achieve a great degree of customer satisfaction. Marketing is made up of different factors which make up the marketing mix elements. The success of a business depends on how marketing mix and strategies are managed and carried out.

With the adoption and application of marketing strategies, and having a deeper understanding of consumers and their needs, the power and control in the supply chain have effectively shifted from the manufacturers to the retailers. The current study aims to create a deeper understanding of the marketing strategies and marketing mix to show how the two can be linked to improve on customer satisfaction as well as promote business growth using the various models of marketing strategies such as the Ansoff Matrix. Using the case of supermarket SIM DELICE, the study also aims to show how the STP model is used in the day to day operations in retail and how it affects factors such as the consumer products and price. In doing so, the current study will add to the theoretical body of knowledge as well as provide literature in the field of marketing.

## **1.2 Aims and objectives**

The current study aims to investigate the marketing strategies and marketing mix that are informed by the STP model that can be applied in a supermarket using the case of SIM DELICE in Cameroon.

### *1.2.1 Specific objectives*

1. To determine the STP systems that supermarkets can adopt to meet the market preferences in Cameroon.
2. To determine the marketing mix elements most appropriate for the STP system.
3. To evaluate the most appropriate marketing strategies for the STP systems chosen by the marketers in Cameroon.
4. To assess how a retail format of a supermarket affect the chosen marketing strategies and marketing mix elements to ensure business growth.

### *1.2.2 Research questions*

1. Which STP systems can supermarkets adopt to meet the market preferences in Cameroon?
2. What are the marketing mix elements most appropriate for the STP system?
3. What are the most appropriate marketing strategies for the STP systems chosen by the marketers in Cameroon?

4. How do retail formats of a supermarket affect the chosen marketing strategies and marketing mix elements to ensure business growth?

## Chapter 2

### Literature Review

Retail shops meet the daily requirements of people every day. The marketing strategies of a supermarket depend on the socio-economic profile of the consumers. Individuals have different needs which they seek to satisfy. Different marketing strategies have been previously developed to accommodate the various wants and needs of the consumers (BCG, 2015). In this chapter, various marketing models and strategies have been discussed which can aid in providing insight on how retail supermarkets can operate for a successful business growth.

#### 2.1 Marketing

For a long period of time marketing has been commonly misinterpreted as a grandiose term for promotion and advertising. This perception has been fueled by the fact that most people have been exposed to marketing through advertising and promotions. In reality, the term marketing covers a wide aspect of a business including and not limited to; the business culture and positioning, advertising and promotion, public relations, market research, new merchandise development, sales and customer service roles and most importantly, proving to the customer of your trustworthiness (Doney & Cannon, 1997).

According to Kotler & Keller (2006), Marketing is an organizational activity and a set of processes which aim to create, communicate and deliver value to consumers, as well as manage consumer relationships in a manner that is beneficial to the organization and the relevant stakeholders. Baker (2006) on the other hand defines marketing as the mutually satisfying exchange relationship between the consumers and an organization. Marketing encompasses very many activities which lead to the marketing mix. On the other hand, the Chartered Institute of

Marketing (CIM) defines marketing as "the management process that facilitates for identification, anticipation, and satisfaction of customer requirements profitably" (CIM, 2015). There are marketing strategy models which have been previously developed and marketers aim to adopt in business. In retail, the marketing strategies that may be adopted are as discussed below.

## **2.2 Marketing mix**

Transformations and progress in businesses have to do with their capability in dealing with challenges, activities as well as competitors (Pour, Nazari&Emami, 2012). Dealing with competitors requires a set of elements in management that can be referred to as marketing mix elements. According to Pour *et al.*,(2012), marketing mix refers to a set of controllable elements in marketing tools and strategies used by a firm to gain growth. These elements are tools that firms use to achieve the already set goals which usually aim at growing the organization. The marketing mix concept was first pioneered by Neil Borden in the late 1940s. However, the concept was further developed by Gerome McCarthy who came up with the famous 4Ps of the marketing mix (Product, price, place, and promotion). These elements are globally used by practitioners and marketers. Sriram& Sapienza (1991, cited in Azeem& Sharma, 2015) argued that not much has been accomplished on the marketing mix, but research has confirmed that the 4Ps mix is definitely a well-accepted conceptual platform of practitioners and marketers dealing with operational issues in marketing.

Marketing in Retail includes other factors that are not included in the 4Ps mix which shows that the concepts do not fully present an adequate platform for planning and marketing activities. Azeem& Sharma (2015) conducted a study to show how the elements of marketing mix can be used in retail using the cases of various retail formats in India. The study examined Hypermarkets, specialty stores, department stores and convenience stores aiming to show

various attributes such as the quality of products, services, price, floor space, length of assortment, location, promotion, loyalty programs, and personnel management. Using a total 90 retail stores, data was collected and analyzed on the various attributes. The results indicated that the various attributes in each store had various significance for the different retail formats. The study also illustrates the various attributes aside from the 4Ps that can be added to the marketing mix to promote customer satisfaction and business growth. Other studies such as that of Roslin&Malewar (2008) illustrate that the most common elements of the marketing mix in retail are product price, promotion, personal, physical evidence and process. Nevertheless, the 4Ps of marketing mix are the most used and these are as indicated below;

### *2.2.1 Product*

The goal of marketing is to completely identify, understand, anticipate and satisfy the needs of the consumers, as well as gain the trust of the consumers (Roy, Eshghi&Shekhar, 2011). The marketers always have to ensure that their products and services are continuously meeting the needs of the consumers. This they can do by constantly finding out what the consumers perceive of their products, how satisfied the consumers are with the products (Singh & Jain, 2015), how effective the product is in meeting their needs as well as how their needs may change in the short and long run. In doing so, the marketers can gauge and anticipate the needs of the consumers which can help them to grow their business. In addition to that, the marketers also have to ask themselves which stage their products or services are at in the product lifecycle (Introductory, growth, mature or decline stages) which enables them to look at how the marketing mix link together. At each stage, the relatively different mix may be appropriate, which enables the marketer to plan the mix elements appropriately.

### *2.2.2 Place*

In marketing, 'place' refers to the means of distribution that the marketers choose to depend on the type of product or services that they offer. This is a very significant element in marketing mix because it has an impact on pricing as well as the promotional tools to be used by the firm. Marketers have to completely understand their consumers by asking themselves whether customers are businesses or consumers. This way, the company might sell to wholesalers, to the retail outlet or directly to the consumers. If the sale is to wholesalers and retailers, during pricing, each will want their markup so as to cover their overheads. Another factor to be considered during this kind of sale is that there will be the need for the promotion of the products as well as have the channels to convince the customers to stock the products. On the other hand, if the company is selling to business, they will have to cover the cost of a sales force which is expensive and also has an effect on the pricing

### *2.2.3 Price*

This is one sensitive aspect of the marketing mix that has to be carefully looked at during marketing planning since it is what generates profits. here also, the marketers have to be well equipped with a deep comprehension of their target groups to know what they are willing for the product or service. Previous research has indicated that when the prices are set too low, the consumers may perceive it as being of low quality. On the other hand, if they are set too high, the consumers may perceive it as too expensive for the benefits it offers. As such, marketers have to understand the positioning of their product in terms of the quality to help them know how to price it. Also, to be considered in pricing is the knowledge of what the competitors are charging the product as well as the costs of production.

### *2.2.4 Promotion*

Promotion may refer to the combination of tools and channels used to make the product or service being offered by the company more likable to the consumers. Previous studies show that promotion is made up of a number of factors which make up the promotional mix. These include; advertising, sales promotion, public relation, personal selling and direct marketing. How a company decides to promote their product is largely dependent on the budget, the message the marketer wishes to convey to the consumers and the product itself.

Other factors that are considered in marketing mix as mentioned earlier include; people, (employees in the company) who also determine the quality of service that the consumers receive, the process of delivery of the goods and services and physical evidence, which is how the product is portrayed through the staff, physical presence, arrangement etc. All these factors play a role in the planning of marketing mix and marketing strategies to be used in business growth.

## **Marketing strategies**

### **2.3 The generic strategies**

According to Tanwar (2013), having a strategy is about having two basic actions; the first is deciding where you want to be and the second is deciding how to get there. In business, it is about where an individual wants the business to be, and most importantly is settling on how to get there. The foundation on which a company seeks to achieve a lasting position in its environment is referred to as generic strategies. The generic strategies which involve creating a defendable position in a business through taking offensive and defensive actions were developed by Michael Porter. According to Porter, there exist three basic ways in which an organization can achieve competitive advantage. These include; cost-leadership strategy, differentiation strategy, and focus strategy.



In Cost leadership strategy, a company that seeks and exploits every source of cost advantage and focuses on becoming a low cost producer in the industry can be described as pursuing a cost leadership strategy. In the differentiation strategy, a company that aims to be unique in an industry through the uniqueness of its service or product which is widely valued by the consumers can be defined as having embraced the differentiation strategy. On the other hand, if a firm pursues a slim competitive scope, selects a market segment or group of market segments in the industry and modifies its approach to serving the segments thereby excluding the others. This way, the firm has adopted the focus strategy.

The three generic strategies are described along two main dimensions which are; the strategic scope and strategic strength. Strategic scope, which is demand side, focuses on the size and the profile of the target market. On the other hand, strategic strength leans towards the supply side focusing on the core proficiency and capability of the organization. Studies on the profit effect of marketing strategy show that organizations with a high market share and low market share are quite profitable. According to Porter, organizations with a high market share are profitable as a result of them pursuing a cost leadership strategy while those with a low market share are also quite profitable because they use market segmentation which focuses on a small, but the very profitable market (Tanwar, 2013). However, Tanwar (2013) indicates that according to Porter, organizations with moderate market share are the least profitable as they have no viable strategy. The position of an organization within an industry is defined by its choice of competitive scope as well as the choice of competitive advantage. Competitive scope differentiates between organizations which target broad industry segment and those aiming at the narrow segment. Porter's generic strategies are valuable since they illustrate strategic positions at the simplest broadest level as illustrated in Figure 1 below.

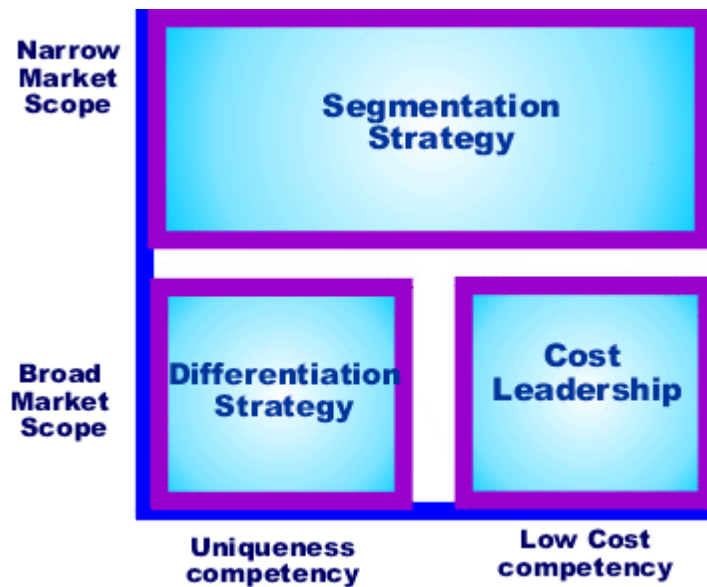


Figure 1: Generic strategies (Source *Tanwar 2013*)

### 2.3.1 *Cost Leadership Strategy*

In this strategy, the main emphasis is efficiency. Through the production of high quantities of standardized products, the organization hopes to take advantage of economies of scale and experience curve effects. Usually, the product has no-frills and is produced at low costs and is made available to a large consumer base. To maintain this, the organization has to continuously search for ways to reduce costs in all areas of the business and aiming at obtaining the most extensive distribution possible.

For success, the strategy requires a significant market share advantage or privileged access to labor, raw materials, and other relevant input. Without such advantages, the strategy can easily be copied by competitors thereby making it obsolete. The implementation of the strategy is made easier with; tight control costs, close supervision of labor, regular access to inexpensive capital, easily manufactured products and minimal costs among others. According to Tanwar (2013), organizations that can benefit from this strategy are low-cost airlines and supermarkets.

### 2.3.2 *Differentiation strategy*

In differentiation, the main aim is to create a product and services that can be perceived as unique in the industry. This uniqueness can be associated with a brand image, design, technology, features or even customer service. Having widely perceived product uniqueness, the organization may then indicate premium charges for their products and services. This strategy is practical for organizations aiming at earning above average returns since the resulting loyalty to brand reduces customer's sensitivity to price. Also, consumer loyalty can be a barrier to entry for other organizations as they have to create their own distinguishing product differentiation technique to compete in the market (Sirohi, McLaughlin, & Wittink, 1998). Some of the companies that have successfully implemented this strategy are Apple computer, Mercedes-Benz, Nike athletic shoes among others.

### 2.3.3 *Focus strategy (Niche strategy)*

In the focus strategy, the organization deliberates on a select few target markets. This strategy's aim is that through the focus of the marketing efforts on narrow market segments and designing the marketing mix to these specialized markets, the needs of that target market can easily be met. Here, the organization is mainly focused on gaining a competitive advantage through being effective rather than being efficient. This strategy is most appropriate for comparatively small businesses but can be used in any organization. For the focus strategy, the target segment can either have consumers with unusual needs or the production or delivery system should be different from other segments in the industry.

It is possible to combine some of these strategies to experience higher returns. Combining a product differentiation strategy with a market segmentation strategy is a very effective way of matching the features of the demand (target market) to the supply. However, other combinations such as cost leadership and product differentiation are quite hard but not impossible conduct due

to the conflict between minimizing costs and the cost to be incurred as a result of product differentiation. On the other hand, previous research has indicated that differentiation strategy is better designed to bring more returns than low-cost strategy as it creates a better barrier to entry (Tanwar, 2013). Also, low cost is better situated at increasing the market share. In as much as the Generic marketing strategies provide insights on producing more returning, other marketing models such as the Ansoff’s Matrix play a very significant role in understanding the business development and marketing strategies that should be employed for business growth.

**2.4 Ansoff matrix**

The Ansoff’s matrix was developed by H. Igor Ansoff to help business comprehend their development as well as their strategic marketing opportunities that can steer them to higher levels of growth. The Ansoff’s Growth Vector matrix considers existing markets and new markets which organizations aim to sell their products, as well as the existing and new products or services to be sold to the consumers as shown in figure 2 below.

	Existing Products	New Products
Existing Markets	Market penetration	Product development
New Markets	Market development	Diversification

Figure 2: Ansoff’s Growth Vector Matrix

There exist different levels of opportunities and risks depending on which strategy is being implemented by an organization. Therefore, the strategic option that works for one business may not be necessarily the best option for another business.

### *2.4.1 Market penetration*

This strategy aims at business growth through the sale of existing products in the existing market. As a result, this strategy is a low-risk strategy because the organization is not incurring costs on developing new products or developing new markets. This strategy is good for a growing market or where there is plenty of market in which by just maintaining market share the results will be growth.

If a firm already has a large market share, then there is need to contemplate on whether to invest in further growth in the area can lead to diminishing returns from development activity. It is possible to increase profit here by reducing costs than by seeking out more market share. Also, strong market share suggests that there is a likelihood of having better returns from expanding the range of products of services that can be offered to the market. To execute a market penetration strategy a firm requires a defensible competitive position to avoid likely retaliation from competitors

### *2.4.2 Market development*

In market development, the organization targets new markets, or segments of the market, through the sale of more of the same product to a new consumer target. For instance, a firm may decide to sell in new geographical areas such as in different regions or countries, or try different sale channels, like making online sales or even targeting different demographic groups. Attempting sale in such new markets may pose risks to the firm such as involving new distribution channels and creating more partners. However, if the organization holds a large

market share for the specific product type, or is easily recognized through its brand, then this strategy can be best.

### *2.4.3 Product development*

Another strategy in the Ansoff's Matrix is the development of new products to sell in the already existing market. This can be developed in the firm, or acquired through the acquisition of another company. This strategy can be efficient for a firm that has a strong market share of a particular market and would wish to expand on its range of products. However, for this strategy to be completely efficient, extensive research, testing, and piloting is needed. This is because with new products come new challenges which may translate negatively to the reputation of the organization.

### *2.4.4 Diversification*

The diversification strategy is about developing new products for new markets. According to Ansoff's Matrix (n.d), this is the riskiest strategy because a firm is venturing into new ideas and areas for both the market and the product. Here, the firm not only not know the products, but is also not conversant with the markets. Ansoff's Matrix (n.d) recommends that this strategy should be conducted as a complement to the existing core business because of its risky nature. Diversification may be carried out in relation to the industry in which the firm operates or totally unrelated to it. Carrying out an unrelated diversification usually holds more risks than in related diversification. Like in the case of Product development, research and testing are also required to know if the venture is profitable (Marketing strategy..., n.d).

## **2.5 Using Segmentation, Targeting, and Positioning (STP) in developing marketing strategies**

In the modern business world, STP is a very familiar strategic approach adopted by numerous organizations. Unlike the generic marketing strategies which revolve around the product, the STP model is more about the consumers. The model is useful when creating marketing communication plans because it helps marketers in prioritizing propositions and then develop and deliver personalized and relevant messages to engage with different audiences. It aims at commercial effectiveness, selecting the most appropriate market segments for a business thereby developing a marketing mix and product positioning strategy for each segment (Wind & Bell, 2007). The model's flow of plan begins at market segmentation to selecting a target market to settle on a product for the target market and finally developing a marketing mix for the segments as indicated in Figure 3 below

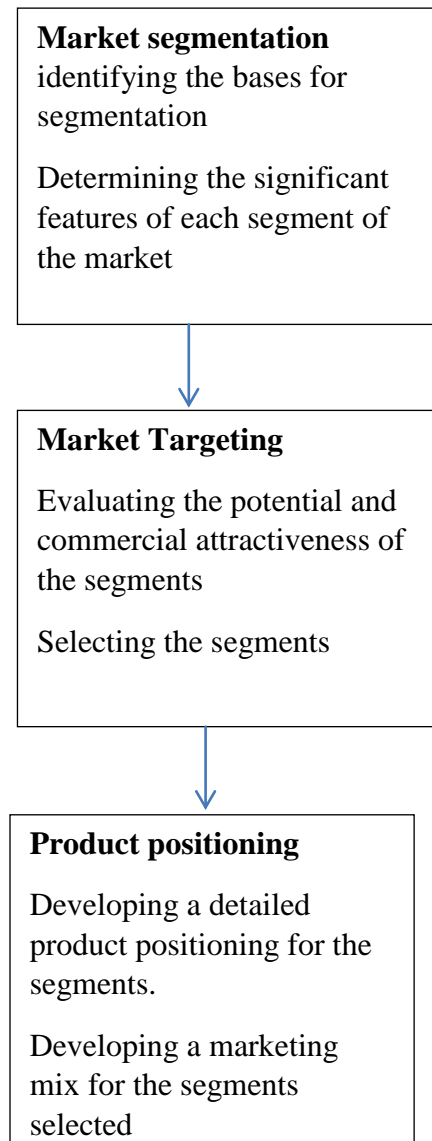


Figure 3: Steps in the STP Model

### *2.5.1 Segmentation*

This refers to the process of grouping consumers into categories or groups that share common characteristics (Wallezky, 2015). Through segmentation, one can identify the areas having specific needs and also identify mature markets to find new customers. Segmentation can



be conducted using various societal factors, such as; demographics, psychographics, lifestyle, beliefs and values, life stages, geography, behavior, and benefit.

The process of segmentation is quite advantageous because as the marketers split the homogenous market into heterogeneous segments, they are forced to analyze the needs of the market and gauge the firm's ability to efficiently serve these needs. Also, in the process, the marketers can clarify the firm's positioning strategy (knowing their competitive advantages and disadvantages) through the analysis of competitor offerings and the market positioning. In addition to that, through the analysis, the firm's limited resources can be focused on the market segments that promise the best possible returns.

### *2.5.2 Targeting*

This involves the process of appraising each market segment's potential and choosing one or more segments to enter. A target market refers to a group of individuals that a company markets their products and services having the idea of satisfying their specific needs and preferences. In the evaluation of the potential and attractiveness of the market, some of the factors that are important include the criteria size, the difference, money, accessibility and the focus on different benefits. For the criteria size, the market has to be large enough to justify the segmentation. Between each segment created, there must exist some level of measurable differences and also, the anticipated profits must exceed the costs of additional plans for marketing as well as other changes.

### *2.5.3 Product positioning*

Product positioning is the last element in the STP process. It refers to arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the mind of the consumer. A product position is a way the goods and services are defined by the consumers particularly using the important attributes. With this regard, marketers have to plan

positions to give their products the greatest advantage in selected target markets(Walletzky, 2015). In addition to that, they have to design marketing mix strategies that create the planned positions.

The above-described marketing strategy models can be used singly or combined in operating a business, whether new or already existing. The three are in many ways linked such that it is impossible to explain one without adopting a concept from the other. For instance, businesses have to gain the competitive advantage in the industry for the growth of the business. This can be done using the generic strategy or the STP model in that, in the STP model, when it comes to product positioning, a marketer has to first identify the available competitive advantage that they have over the others. The competitive advantage can be generics cost leadership or differentiation etc. this brings about the competitive differentiation. After achieving this, and finally choosing the most appropriate marketing mix, the Ansoff's Matrix can be used to understand the development as well as the strategic marketing opportunities that can steer the business to higher levels of growth.

## **2.6 Retail format in Supermarkets**

With the increased competition in the retail industry, retailers are continuously trying to find new ways to improve on their profits so as to run their stores more efficiently (Aloysius & Binu, 2013). In retail, competition is the rivalry between retailers who are keen to obtain the same consumer. Marketers are constantly carrying out research to determine which products to be merchandised together using current trends as well as historic purchasing behaviors. According to Chen et al., (2006) in-store environmental stimuli, for instance, shelf space allocation and display of products have a very significant influence on consumer buying behavior and can bring about substantial demand. Silva et al (2009) describe shelf allocation and product display as the challenges of efficiently arranging retail products on shelves to improve

stock control, maximize profits as well as improve customer satisfaction. This has led to the rise of studies in product placement which is part of marketing science currently.

Aloysius & Binu (2013) also constructed an algorithm that was aimed at aiding retailers in increasing their profits as they decrease costs through proper management of shelf space allocation and product display. The study proposed an approach that could mine consumer buying patterns using the PrefixSpan algorithm and place the products on the shelves by using the patterns. This is one method that aid the shelf placement in retail shops. However, there are factors that also need to be considered when arranging the display patterns in supermarkets.

Previous studies did not give much attention to product price in shelf-space arrangement; however, this is currently not the case. Thuong (2016) conducted a study on factors that influence consumer satisfaction towards supermarkets using a survey method in 4 supermarkets. The study came to a conclusion that customer satisfaction is based on various factors which include the products being sold, price, personal interaction, convenience, the services offered and the physical appearance of the store, including product placement. All these factors influenced customer satisfaction but the study indicated that the most influential factor from the 4 stores was a price.

Nafari & Shahrabi (2010) also conducted a study on a data mining approach for shelf-placement considering product price. In this study, it was discovered that the changes in product price may change the relationship between the goods, such as complementarity and substitutability associations. According to the study, this can, in turn, affect the strategies that are used to allocate the shelves. Taking advantage of data mining techniques, the paper aimed at finding the relationships between products with regards to their prices to develop an approach that can be practical in the real world.

## **2.7 How STP affects prices**

The application of the STP model can have an influence in the pricing of products in a supermarket. Focusing on segments is one of the basic ways that an organization becomes customer driven (Wind & Bell, 2007) as well as very vital to effective resource application. Using segmentation allows the organization to increase its returns as illustrated in the classic price discrimination model that provides the rationale for carrying out segmentation. Segmentation offers marketers the chance to analyze their market segments and in the process, they get to understand how the segment behaves. In conducting the analysis, the organization can also look into the consumption patterns, the demand as well as how the segment react to alterations in the marketing mix elements of product, price, promotion and place (Wind & Bell, 2007).

Effective segmentation allows the marketers to provide a difference between segments according to their response to market variables. For instance, the marketers can define the differences between price sensitive consumers and non-price sensitive consumers as a result of segmentation. As a result of segmentation, the marketers can internalize how consumers react to different prices and in turn price their product according to their analysis of the various segments. Also, in Positioning, the existence of numerous potential substitutes can limit prices as well as the returns that can be earned from a market segment. Therefore it can be noted that STP is one of the major factors that influence the pricing of products in an organization.

## **2.8 The case of Cameroon**

According to Euro monitor (2016), Retailers continue to search for growth opportunities in Cameroon. The competitive background of the Cameroonian retailing industry is ever changing. As the international retailers look for more growth opportunities in the southern

hemisphere, it is expected that competition will intensify in physical stores. Through the digital age together with the rising middle class, the number of online customers is expected to rise tremendously. Imports from countries like Asia that provide cheap goods in the market are also likely to negatively affect the retail industry. In order to remain competitive, local retailers will have to develop and adopt better ways to gain the competitive advantage so as to compete in the market with the fast growing pure players (Euromonitor,2016). As a result, the current study aims to provide a method that marketing strategies and marketing mix can help the Cameroonian economy through the growth of local businesses in the country.

## Chapter 3

### Methodology

#### 3.1 Research design

The information to be used in this study was collected using two main sources. These included both primary and secondary sources. For the primary sources to be used in the study, the study employed the use of a survey research design. The research methods to be used in this research design was mixed, whereby both quantitative and qualitative methods were used. For the quantitative research method, it was relevant as it was to guide the survey to answer the study questions (Tariq & Woodman 2013). According to Muogbo (2013), such an approach is significant as it entails collecting data on existing phenomena and from a natural setting, through the acceptance of various independent variables. The quantitative approach is also easy to use in data collection as it provides various ways of accessing data such as through the use of face to face, using mail and even collecting data through the use of phone calls (Davidson, 2014). In addition to that, quantitative methods also make generalizations through the use of numerical data (Harwell, 2011), which are easily quantified statistically and allow for the collection of data from different individuals at the same time and make conclusions from the numbers.

Qualitative research methods focus on assessing and understanding the existing experiences and perspectives of different persons (Harwell, 2011). The current study aimed to collect data from different consumers who shop at the SIM DELICE as well as the store managers. These are expected to differ from one person to the other. Since qualitative methods aim to illustrate different meanings of occurrences (Harwell, 2011), the method was to shed light on why the realities are as they are.

Additionally, these research methods allowed for the utilization of a phenomenological research design which entails the description of issues as they are presented (Davison, 2014). This way the marketing strategies and marketing mix elements that work for the store were observed. Also, the factors of consumer satisfaction were also observed in addition to the factors that were collected from the consumers.

### **3.2 Sample and sampling technique**

The study sample included consumers who were shopping from SIM DELICE and the store attendants such as managers. The sample selection method of the consumer respondents was based on convenience sampling because it was not easy to get consumers who were willing to take part in the survey. To achieve valid and reliable results, the study included a total of sixty respondents (55 consumers and 5 store attendants).

The sampling technique that was employed in the selection of the store attendants to take part in the study (qualitative) was also based on convenience sampling. This is because of the limited time for the study and in addition to that, since the attendants were at work, and it was impossible to get them to take part in the study. A total of 5 respondents were included in the qualitative data since this type of approach does not require a large sample size. The small sample in the qualitative approach ensures that quality data is collected from the small group through intense interviewing and observation of the phenomenon (Harwell, 2011).

### **3.3 Research Instruments**

For the quantitative research method, the collection of data was done through the use of both open and closed questionnaires (see appendix 1). This was because questionnaires are convenient, particularly in situations where time is limited. Questionnaires are also appropriate because they are flexible (Harwell, 2011), and can be used in the collection of data from either small or large sample. The questionnaire was made up of different sections. The first part

included the demographic information such as age, gender, place of residence, the level of education and most importantly, how often they shop at SIM DELICE.

The second part included questions that were relating to the consumer experiences during shopping at the store, as well as what attracts them most to the supermarket. Also, the consumers were asked about their feelings towards the promotional strategies employed by the supermarket. The third section aimed to get the consumers opinions about what they think about the shelf arrangements and placement in the supermarket. In this section, the consumers were also allowed to give their suggestions on what their opinions were about how they feel the supermarket can be arranged as well as any changes they would wish for. Different attributes on shelf placement and customer experiences were included in the questionnaires and a five-point Likert scale ranging from (Strongly agree to strongly disagree) was used to assess the feelings of consumers towards them. For instance, in order to find out how the consumers feel about customer experience; some of the attributes that were used to assess their feeling may be 1) *I enjoy shopping at SIM DELICE because of the price discounts*, 2) *the store arrangement and physical display is appealing*, 3) *I would recommend the store to my friends* among others. Using such attributes, the consumers responded using the Likert scale to help the researcher assess how they feel about some the physical surrounding of the store and customer experience.

For the qualitative approach, an interview schedule was prepared to collect in-depth information on marketing strategies and marketing mix elements such as the promotional techniques employed by SIM DELICE. The schedule highlighted the *main marketing strategies employed by the store to attract consumers*, *the main generic strategy that the store uses to gain competitive advantage retail supermarket*, *the method they use for business growth* and finally, *how STP is employed in the business as for how effective it is to the business*. The results from the interviews were analyzed and related to the marketing strategies illustrated in the literature



review to identify similarities. With the consent of the respondents, notes were taken and recordings were made that were to assist in capturing all the information.

### **3.4 Data analysis and test for reliability**

Quantitative data from the questionnaires were coded and analyzed using a statistical package SPSS version 21. Further, Fischer's exact tests were conducted to identify the relationship between the dependent and independent variables. According to Creswel (2013), these statistical analyses are crucial in identifying the link between the dependent and independent variables involved in this study. A reliability test was also be carried out to show the relevance of the data that was collected from the study sample. This test, therefore, is advantageous as it shows the level of relationships between variables. In addition to that, the test will be conducted multiple times to ensure the reliability of a research instrument and a reliable data collection method.

A second person was responsible for the transcription of the interviews that had been recorded. The transcription was done verbatim so as to reduce cases of misinformation. Using the NVivo software version 11, the qualitative data was analyzed after being transcribed to identify the key concepts and organized by comparisons to make conclusions. Zamawe (2015) and Jones (2007), recommend the use of Nvivo as it is a powerful tool for analysis of qualitative data and is also flexible and accurate. The results of the analysis were presented using descriptive statistics, tables, and graphs.

### **3.5 Ethical consideration**

The consumers were informed of the study and were to receive the full description of the study as well as the purpose of the study prior to the data collection dates. An informed consent was required from each respondent before administering the questionnaires or participating in the

interviews. This was to ensure that the ethical issues that might arise from this study are addressed as well as ensure full respect of participants (Israel & Hay, 2006). Additionally, the institutional review board ethically approved, ensuring that moral and ethical obligation to the research, respondents, and researcher are met (Israel & Hay, 2006).

## Chapter 4

### Results

#### 4.1 Results from the quantitative data

##### 4.1.1 Demographics

The survey was carried out on consumers shopping from supermarket Sim Delice and was aimed at finding out the factors of consumers' satisfaction with regards to the marketing mix and strategies used by the retail business. Data was collected from a total of 55 randomly selected consumers who could create time to answer fill the questionnaire. Out of the total respondents, 34.55 percent of the respondents who took part in the study were aged between 30-39 years, 29.09 percent were aged between 20-29 years, 29.09 percent were aged above 40 years while 7.27 percent were below 19 years. The results were as indicated in the frequency table below.

Table 1: Showing age frequency distribution

Age	Frequency	percent
less than 19 years	4	7.27
20-29yrs	16	29.09
30-39yrs	19	34.55
40 years	16	29.09
Total	55	100

Out of the respondents, 47.27 percent (n=26) had achieved an undergraduate level of education, 41.82 percent (n=23) had a secondary level of education, 7.27 percent had a basic primary education while 3.64 (n=2) had a postgraduate level of education (See frequency table 2).

Table 2: showing frequency table for education level of the respondents

Education	frequency	Percentage
Basic	4	7.27
Secondary	23	41.82
Undergraduate	26	47.27
Postgraduate	2	3.64

When the respondents were asked whether they shop at Sim Delice, 81.82 percent (n=45) responded to being regular shoppers at the retail supermarket while 18.18 percent (n=10) responded to not being usual customers (See figure 4) of Sim Delice but were there as a matter of convenience.

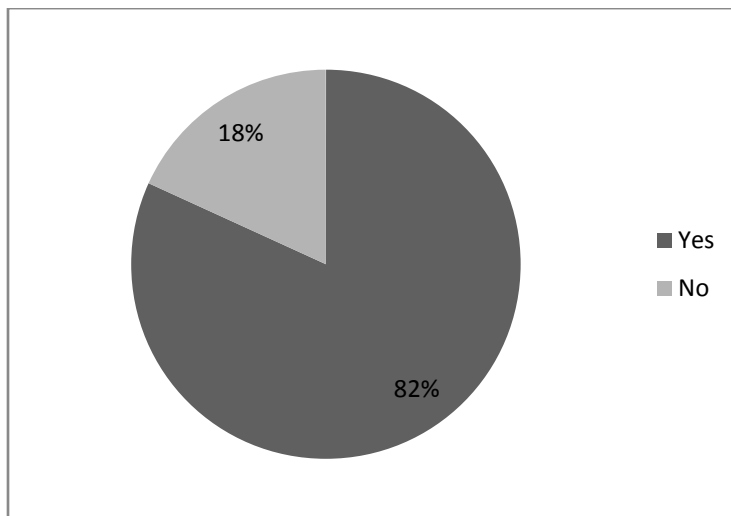


Figure 4: Percentage of shoppers at Sim Delice

Out of the percentage of respondents who agreed to shopping at Sim Delice, 71.11% (n=32) agreed to frequently shopping at the retail supermarket while 28.89% (n=13) responded to shopping at the store rarely as indicated in figure 5 below.

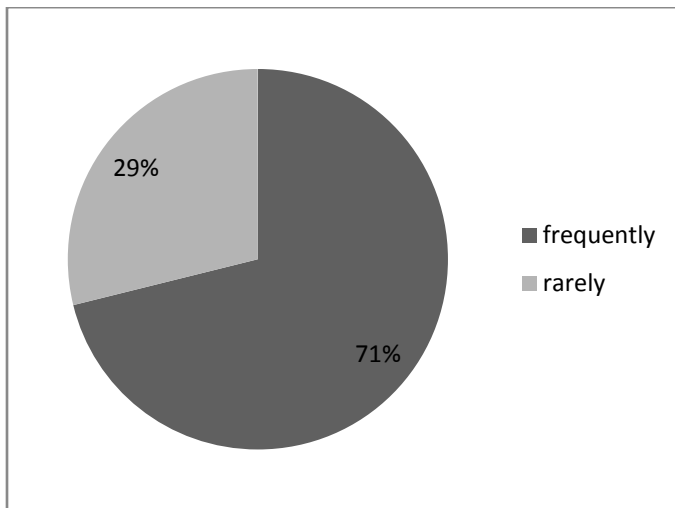


Figure 5: Frequency of consumers shopping at Sim Delice

The respondents were then asked the method (manner) in which they conduct their shopping activities when they go shopping at the retail store. 67.39% (n=31) admitted to conducting their shopping activities in a random manner regardless of where the products are placed, while 32.61 % (n=15) responded that they carry out their shopping activities in a systematic manner, moving from one product to the next (See figure 6) below.

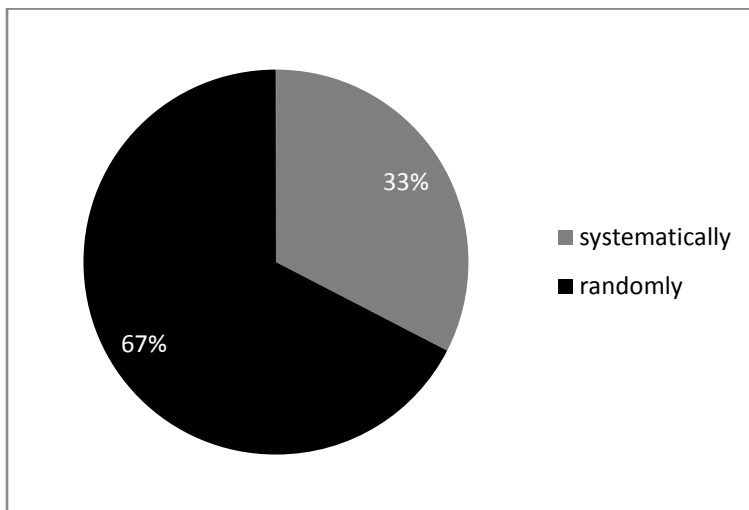


Figure 6: Manner in which the respondents conduct their shopping activities.

### 4.1.2 Factors influencing purchasing decisions

When asked about the factors that mostly influence their purchasing decisions at supermarket Sim Delice, the respondents were provided with a list of factors from which they were to choose appropriately the factors that most influence their purchase decision. The results showed that 31.11% (n=14) purchase influence was from opinions from friends, 24.44% (n=11) were influenced by customer service while 17.78% (n=8) were influenced by shelf arrangement. Advertisements and discounts each received 8.89% (n=4) as recorded by the respondents while 4.44% of the respondents were influenced by the free samples used by the supermarket. These were as indicated in the figure below.

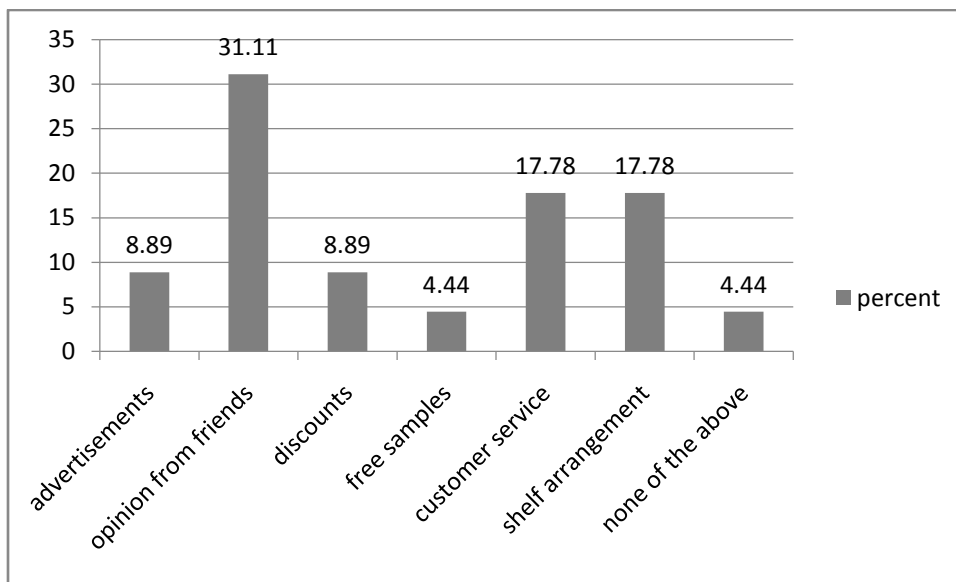


Figure 7: Factors influencing the purchase decision of the respondents

To find the association between the marketing mix elements that can be appropriate for the STP systems in Sim Delice supermarkets, Fischer's exact test was conducted using a 95% confidence interval. The test was used to link the factors that influence purchasing decisions to the age of the respondents. The results suggested that age has an effect in determining the factors

that influence purchasing decision (see Table 3). This can be a useful factor to be considered during segmentation of the market using the age groups of the consumers. Knowing which factors to use for which ages can be a vital factor to consider in both segmentation and targeting of the available market.

Table 3: Fischer’s exact test for factors that influence purchasing decisions and age

factors influencing purchasing decisions								
Age	advertis	opinion from friends	discounts	free samples	customer service	shelf arrangement	none of the above	Total
<19yrs	0	3	1	0	0	0	0	4
20-29yrs	1	3	1	0	4	5	0	14
30-39yrs	2	2	2	0	7	1	1	15
40yrs	1	6	0	2	0	2	1	12
Total	4	14	4	2	11	8	2	45
		fisher's exact		0.027				

The Fischer’s exact *p*-value was 0.027, which was less than 0.05, indicating that indeed age influences the factors that influence the purchasing decisions of consumers.

Fischer’s exact test was once again used to find the association between the marketing mix employed by the retail supermarket by linking the factors influencing purchase decisions at Sim Delice to the education level of the respondents. The association gave a *p*-value of 0.035 which was less than 0.05, suggesting that education level also has an effect on the factors that influence purchase decisions as indicated in Table 4 below. This factor can be useful as an STP system as it can be significant in segmentation and targeting as the marketers can use this information to

analyze the consumers and embark on product positioning to suit the needs and preferences of the consumers.

Table 4: showing Fischer’s exact association of factors influencing purchase decisions and the education level

factors influencing the purchasing decision								
education	adverti se	opinion from friends	discoun ts	free samp le	custome r service	shelf arrangem ent	none of the above	Tot al
Basic	0	0	1	0	1	0	1	3
secondary	3	8	2	2	1	3	1	20
Undergradu ate	1	5	1	0	9	5	0	21
post graduate	0	1	0	0	0	0	0	1
Total	4	14	4	2	11	8	2	45
Fischer's exact= 0.035								

These results show that both age and education level affect the factors that determine the purchase decisions of the respondents. To find additional information that could strengthen these findings, the respondents were provided with a number of attributes for which they were to indicate their feelings. The first attribute was aimed to find out if the respondents were attracted to the retail supermarket as a result of the wide range of products (product positioning). The attribute indicated; *supermarket Sim Delice provides a wide range of products*. This attribute received a number of responses. 41.82% (n=23) of the respondents indicated that they strongly agreed to the attribute, 38.18% (n=21) agreed, 14.55% (n=8) were indifferent to the opinion while 5.45% (n=3) disagreed (See figure 8).



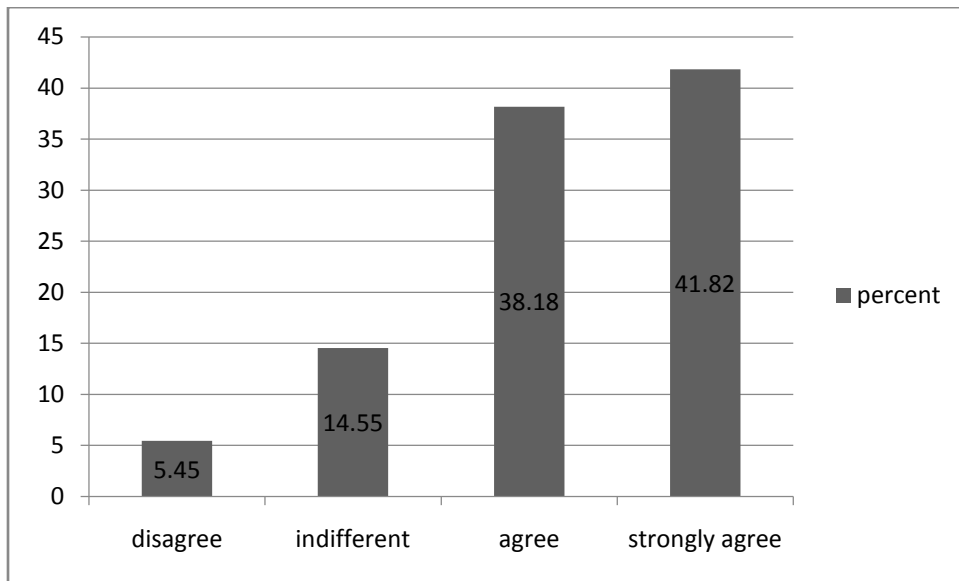


Figure 8: Responses to Sim Delice provides a wide range of products

The next attribute was aimed to find the feelings of the respondents on the shelf arrangement and physical appearance of the supermarket. The attribute was *I find the store arrangement and physical appearance appealing*. This attribute also gathered mixed reactions from the respondents whereby 43.64% (n=24) agreed, 34.55% (n=19) strongly agreed, 18.18% (n=10) were indifferent while 3.64% disagreed to the opinion (see figure 9).

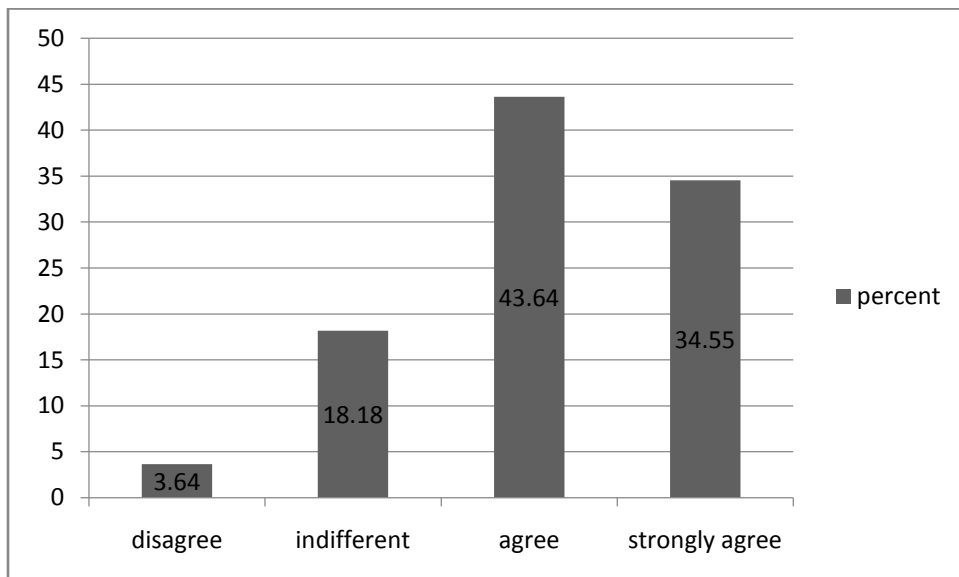


Figure 9: Responses to the Sim Delice store’s physical appearance

The final attribute *I like the promotional activities at Sim Delice* also aimed to indicate the feelings of the respondents towards the marketing mix and strategies used by the supermarket to provide information on the marketing activities preferred by the consumers in retail. The results indicated that 41.82% (n=23) agreed, 10.91% (n=6) strongly agreed, 40% (n=22) were indifferent while 7.27% (n=4) disagreed to the opinion (See figure 10 below).

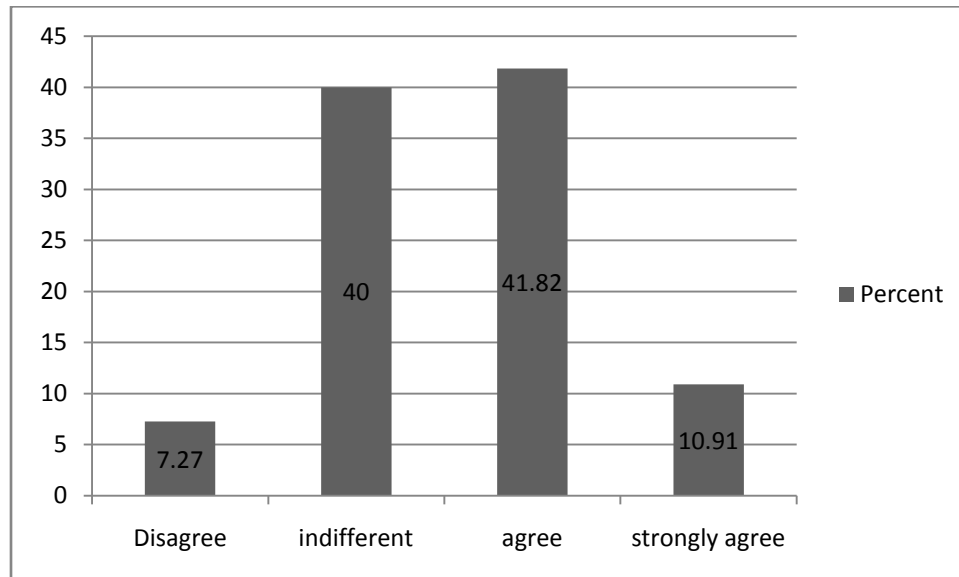


Figure 10: Responses to the feelings on promotional activities at Sim Delice

#### 4.2 Results from Qualitative data

Qualitative results were collected through the use of an interview schedule from 5 respondents from the management of supermarket Sim Delice (See Appendix 2). The recorded data was transcribed verbatim, and analyzed by noting the key concepts and words that were used by the respondents. The results indicated that the mean age of the respondents was 35 years. In terms of gender, 3 of the respondents were male while 2 were female. The respondents held

different managerial positions at the supermarket which made it easier as the information needed could be easily retrieved from the managers with backgrounds in retail business. The results from the interviews indicated that supermarket Sim Delice receives customers of all ages. According to the managers, the store is visited by teenagers, young adults, adults and even the elderly. Also, it was indicated that both males and females visit the store but in comparison, females frequent the store more than males.

From the qualitative results, the participants were asked how they invite or encourage people to shop at their supermarket and they revealed that one of the main methods they use to attract people into shopping from Sim Delice is by conducting promotional activities and customer loyalty programs. The promotional activities that were listed by the respondents included; using discounts on particular goods, free samples and buy-one-get-one-free on some products. The use of coupons was also in the process of being introduced in the store.

#### *4.2.1 Marketing strategies in Sim Delice*

From the results, it was evident that the supermarket has adopted some level of STP in their marketing strategies. The participants revealed that their main strategy is stocking a variety of products to suit the needs and preferences of the consumers. It was also evident that the products are varied to suit the different demographics that were present in the area. An example was given of the introduction of the bakery that introduced a whole new customer base. In terms of the STP systems adopted by the supermarket, it was revealed that the store specializes on targeting a given customer base and tailor their goods to their preferences. For example, one respondent noted that *we noted earlier on that our customers were mostly female doing groceries and therefore we widened our grocery products to increase their choices*. The findings also revealed that the store conducts regular research to find out what is being offered by their

competitors as well as what the customers need and react by trying to make it easily available to them.

To add on the STP systems adopted by the supermarket, the respondents were asked which marketing mix elements that they incorporate to make their business grow by attracting more consumers. The results indicated that supermarket Sim Delice uses the elements of promotion, price, and product evidently. Promotions were used as mentioned above while the pricing of the goods was tailored according to that of competitors and with regards to the costs. As for the product, the respondents revealed that they are constantly looking for more products to increase their customer base.

#### *4.2.2 Retail format*

To find out more about the retail format that the supermarket uses and how this affects the pricing of the goods, the respondents were to answer the question *how would you describe the retail format employed by SIM DELICE supermarket?* This question received a number of responses which provided reasons for the current arrangements in the store. One response from the respondents read; *generally, the goods that are more preferred by the customers are given first priority in arrangement, followed by the new products...* The results showed that the arrangement of the goods in the store was dependent on customer preferences. It was revealed that the goods could be given first priority and in the arrangement, the more expensive brands go to the top and medium shelves while the brands not frequently purchased were arranged below. This revelation was also important in discovering the differences in the prices of the products which was with regards to the shelf arrangements. This finding confirmed that in retail, the format used also has an effect on the pricing of the goods.

### 4.2.3 Marketing strategies and marketing mix for retail

The respondents were asked for their opinions on the marketing mix and strategies using the question; *In your own opinion, which marketing mix and strategies do you believe are appropriate for STP systems in the retail industry?* Three of the respondents acknowledged that retail is growing as a result of the increase in population and more needs to be done to ensure growth in various businesses. The results indicated that 3 out of the five respondents thought that it is better to focus on differentiation, particularly on product and price and aim at finding many consumers through extensive investments in current marketing methods. This they attributed to the fact that getting many consumers for the market means more items are sold leading to growth in income hence, business growth.

The next question focused on collecting general information on what the participant's thoughts were on which marketing mix and strategies they thought were appropriate for Cameroon. The question they were asked was; *In your own opinion, which marketing mix and strategies do you believe are appropriate for the STP systems in Cameroon?* All the respondents agreed that in retail, there is no one specific method or marketing strategy that can bring about growth. According to the results, each retail business requires a method that will work for it and that, all the respondents agreed that cannot always be the same. For Cameroon, 2 participants stated that one marketing element that can be appropriate is to upgrade the marketing methods such as advertising to be in sync with the current upgrades in technology.

For the marketing strategies that are appropriate for STP, one respondent suggested the introduction of franchise businesses and mentioned that the retail stores could grow easily if they could increase the availability of their products. The respondent said this could be done through the introduction of the retail stores in all regions in Cameroon and not just focusing in cities and major towns.

## **Chapter 5**

### **Discussion**

There are a number of marketing strategies that can be used in the retail industries. Depending on the marketing strategy adopted by a retail business, compatible marketing mix elements can also be included to promote business growth. The results from the current study showed the marketing strategies and marketing mix elements used by supermarket Sim Delice from the consumers' perspective as well as from the management. Also illustrated in the results is how retail businesses employ the use of STP systems to achieve growth in business.

#### **5.1 STP systems used by supermarkets in meeting market preferences in Cameroon**

As retail business continue to rise as a result of the current population demands, marketers continue to determine the ways to attract consumers to their products. The most significant strategy in attracting consumers in retail is completely understanding consumer behavior, their likes, and dislikes as well as their buying preferences. From the study, the qualitative results from the management provided a brief overview of the STP methods used by supermarkets in Cameroon. The results indicated that the supermarkets adopts segmentation and tailors their products to suit the preferences of the market segments. For instance, it was revealed that supermarket Sim Delice had mostly female grocery shoppers and as a result widened their grocery products. This way, they are able to attract the consumers to their wide variety of products which improves on customer loyalty and attracts, even more, customers to the store. These findings agree with results from a report by Synchrony Financial (2016) which revealed

that through segmentation, retailers set more insight about their customers and can deepen customer loyalty through the provision of products suited to the needs of the consumers.

Another example of the use of STP was shown by the results from managers which indicated that the supermarket conducts regular research which is aimed at knowing the available markets and the product preferred by that available market. The introduction of the bakery was an example of the use of product positioning after knowing the customers' needs. In the STP model, constant research is needed to know more about the consumers as well as in setting the marketing strategies to target to available market.

## **5.2 Marketing mix elements suited for the STP model in retail supermarket**

STP aims at determining the commercial effectiveness, choosing market segments that are most valuable and developing marketing strategies after developing the products. Depending on the market segments, different marketing mix elements can be used. Not all marketing mix elements can be successful. The marketing mix that works for one market segment may not work for the other. This was illustrated in the Fisher's exact tests (Table 3 and 4) which indicated that purchase decisions are affected by demographic factors such as age and education level respectively. In the same manner, marketing mix elements being used should be well suited for the market segment being targeted.

From the results, both the qualitative and quantitative data showed that the supermarket uses various marketing mix elements to attract their consumers. The first marketing mix elements exhibited in the supermarket is 'product'. The results from the qualitative data showed that one of the reasons that some of the consumers were attracted to shopping at supermarket Sim Delice is because of the wide variety of products that they provide. In doing so, the Supermarket attracts different consumer groups. The goal of any business is to ensure that the customer needs are always attended to and fulfilled. One way of doing this is by ensuring the

products or services meet the needs of the consumers. This is one of the mix elements exhibited in supermarket Sim Delice through the wide variety of products they provided as well as the introduction of new products.

Another marketing mix element adopted by the supermarket as indicated in the results is 'price'. From the qualitative results, the participants indicated that the management conducts research to find out how to price their goods. The results also showed that the pricing used depends on the products costs, comparison to other competitors as well as the market needs. The qualitative data also showed that price discounts are also included on some products which attract consumers to the store.

The marketing mix element (promotion) was also vividly expressed as being used in the store. From the quantitative results, it was clear that there are sales promotion strategies such as 'advertisements', 'free samples' and 'discounts' which used by the store to attract consumers. The reason for these as indicated by the management was to make their store more attractive to the consumers and to stand out among the other competitors, in which case, they agreed that the methods were very effective. The results agree with findings from Shamout (2016) who illustrated that sales promotion techniques such as price discounts, free samples, buy-one-get-one, and coupons can stimulate consumer purchase behavior, which in turn increases returns when used appropriately in addition to other marketing strategies. To complete the 4Ps of the marketing mix, the 'place' element was illustrated in the shelf placement and display arrangement of the store which as indicated in the results, was one of the reasons that some of the consumers were attracted to the store. These marketing mix elements were all used to support the STP model adopted by the store



### **5.3 Marketing strategies appropriate for STP systems in Cameroon**

As mentioned earlier, marketing strategies that work for one business may not necessarily work for another. Marketers and entrepreneurs have to know this factor so as to know which marketing strategies may work for their business and at the same time, promote business growth. The qualitative data retrieved from the manager's interview showed that there are a number of marketing strategies and models that can be used together with the STP systems by retail marketers in Cameroon. The study aimed at acquiring information on the possible marketing strategies used for the STP model in supermarket Sim device and the results provided pointed towards some of the common models of marketing strategies.

From the results, it was indicated that one of the marketing strategies used at the supermarket was selling the available products to the available consumers. This strategy is well elaborated in the Ansoff's Growth Vector matrix and is represented by 'Market penetration'. Using this strategy was attributed to the minimum costs that it requires and also provides an opportunity to improve the returns by further minimizing the costs of running the business. These results agreed with the illustration in the literature review which indicated that using market penetration involves minimum risks as the business does not need to spend on more costs to the business (Ansoff's Matrix, n.d).

Another strategy explained by the managers was the sale of new products to the available market (Product development) which is also an element in the Ansoff's matrix. This was as illustrated in the results by 'stocking a variety of products to suit the needs and preferences of the consumers'. In addition to this, the results also showed elements of 'Differentiation' which depicted in Porter's generic strategies.

According to Porter's generic strategies, the differentiation strategy involves finding ways of making the business more unique in the industry in a manner that is appealing to the consumers. Differentiation can be achieved in many ways such as in the quality of products, price, customer service, and awareness among others (Sharp, 1991). The qualitative results gathered on opinions on the marketing strategies that can be appropriate for Cameroon's Retail industry focused mainly on the differentiation method of the generic strategies. Product and price differentiation were the most illustrated strategies that could be used together with the STP systems to promote growth in retail businesses. The main step in STP is the identification of the market segments that are available and tailoring the products to meet the needs of these market segments. These findings are similar to findings from Smith (1995) which illustrated that product differentiation and segmentation are good for bending the demand to the will of supply. According to Smith (1995), using differentiation and segmentation can also be used as alternative marketing strategies. On the other hand, price differentiation is also appropriate for STP as prices are perceived differently among the different market segments. Depending on the market segment, differentiation in price can be achieved by lowering or increasing the prices of the goods. However, it is important to also note that from the findings, it was also reported that there is no specific strategy that can work for business growth in retail. Nevertheless, after understanding the consumer, their needs, and preferences, marketers can craft appropriate strategies that can propel the business forward.

As for the marketing mix elements that can be appropriate for Cameroon, the results indicated by the qualitative data showed that upgrades in advertising methods to the current modern methods such as the use of online advertising can go a long way for retail businesses (promotion). According to Shamout (2016), when promotions are conducted correctly to attract the attention of consumers, their purchase intention is triggered which in turn leads to increase in

returns. Therefore, the promotion element of the marketing mix is one factor that is appropriate for the STP systems in retail.

The other element from marketing mix mentioned in the results that can be appropriate for STP systems is 'Place'. The qualitative results mentioned the introduction of more retail franchise as well as increasing the availability of the retail stores in Cameroon. Increasing accessibility and the availability of the distribution stores can lead to further growth in retail business. As mentioned earlier, the 'Price' element is also relevant for the STP systems as price is perceived differently by the different market segments.

#### **5.4 Retail format and Marketing mix**

There are a number of factors that affect the retail format that marketers choose for their business. Some of them include the market positioning trends, marketing abilities and competition (Azeem& Sharma, 2015). On the other hand, different retail formats require different marketing mix as well as marketing strategies as a result of the different consumers and the conditions that the retailers experience. Consumers have various desired attributes that attract them to a retail store (Carpenter & Moore, 2009). These attributes have different appeals to the various consumer groups that are present in a market (Baliya, 2010) as to the retailers' themselves. When looking at the retail format, it is the general physical appearance of the store that is perceived by the customers in terms of its layout, look, products and the pricing. According to Azeem& Sharma, consumers may visit different stores for different purposes depending on the marketing mix that attracts them to the store.

Different marketing mix and marketing strategies may appeal differently to the consumers depending on the retail format used. In a discount store, price may prove to be the most significant factor to the consumers, while the same may not be as important when consumers visit a specialty store for the products. As a result, it is necessary for retail stores to focus on the attributes that are more appealing to the consumers. For the case of Sim delice, the quantitative results showed that consumers were attracted to various attributes of the store including the physical appearance, the range of products, as well as the promotional activities that the stores offered. From the results, it can be argued that all these factors have different effects on various consumers.

## **5.5 Conclusion and Implications of the study**

Both the qualitative and quantitative results indicate that both marketing mix and marketing strategies are important in the retail industry. Depending on the retail format in question, different marketing mix elements can be applied to a retail business. However, the marketing strategies that work for one retail format may not necessarily be fruitful to the other. As a result, marketers need to plan accordingly to incorporate the most appropriate marketing strategies for their businesses. The results from the current study showed that retail format attributes such as price, physical appearance, and promotional activities are of great importance in influencing purchase intention in consumers. Also, marketing strategies such as differentiation in Porter's generic strategies and market penetration from Ansoff's Matrix can be very useful for the STP systems in the retail industry.

The current study can be useful in guiding retailers in choosing the most appropriate marketing strategies that can work for their chosen STP systems. In addition to that, the study

can help managers to understand their consumers better so as to develop their products to meet their consumers' needs and preferences. However, the study had a few limitations which future studies should aim at overcoming. First, the study sample size was too small to be used for making generalizations for the whole population of Cameroon. Second, the study did not focus on how the marketing strategies can be effectively implemented and finally, future results should aim at determining how retail formats affect the STP systems used in marketing.

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## Appendix

### Appendix 1 QUESTIONNAIRE

This questionnaire aims at assessing the factors of customer satisfaction exhibited in the marketing mix elements used in retail supermarkets. Please find time to fill this questionnaire as truthfully as possible. The study is purely academic and the views expressed will be treated with utmost confidentiality and used only for academic purposes. Thank you.

#### Section 1

##### 1. Demographic information

- Age
  - Below 19 yrs.
  - 20-29 yrs.
  - 30-39 yrs.
  - Above 40 yrs.
- Religion
  - Christian
  - Moslem
  - Traditional religion
- Education
  - Basic education
  - Secondary education
  - Undergraduate
  - Postgraduate education
- Marital status
  - Single
  - Married
- Employment status
  - Full-time employment
  - Part-time employment
  - Unemployed

- student
  - Annual income
    - Under \$10,000
    - \$10,001-\$30,000
    - \$30,001-\$50,000
    - \$50,001-\$100,000
    - Above \$100,000
    - Undisclosed
2. What method do you prefer to conduct your shopping experiences? (Tick as appropriate)
- Outdoor shopping
  - Online
  - None
  - Both Online and Outdoor
3. On average, how many times do you shop in supermarkets in a month?
- Once
  - Twice
  - Thrice
  - Others (specify).....
4. Do you usually shop at SIM DELICE?
- YES
  - NO
- b) If your answer above is yes, how often do you shop at SIM DELICE?
- Frequently
  - Rarely
5. Which method do you use to shop at SIM DELICE?
- Systematically
  - Randomly
  - Doesn't matter
6. Which factor most influence your purchasing decision at SIM DELICE?
- Advertisements
  - Opinions from friends

- Discounts
- Free samples
- Customer service
- shelf arrangement
- None of the above

7. Please indicate your feeling towards the following statements (by marking the category that most accurately describes your feelings: 1-Strongly disagree, 2- Disagree, 3-indifferent, 4- Agree, 5- Strongly agree).

Indicators	Strongly disagree	Disagree	indifferent	Agree	Strongly agree
a. SIM DELICE provides a wide range of products					
b. I find the store arrangement and physical appearance appealing					
c. Shopping at SIM DELICE is very convenient and fast					
d. I like the promotional activities at SIM DELICE					
e. SIM DELICE provides fresh and quality groceries					

8. What would you recommend to be improved in the supermarket?

- Discounts
- Customer service

- Shelf arrangement
  - Advertisements
  - None of the above
9. What do you enjoy most about shopping at SIM DELICE? (tick one or many)
- fast delivery
  - Convenience
  - Quality of service
  - Variety of items
  - None of the above
10. Generally, how satisfied are you with shopping at the supermarket?
- Very dissatisfied
  - Dissatisfied
  - Indifferent
  - Satisfied
  - Extremely satisfied

## Appendix 2

### Interview questions

1. Personal details: Name (Optional), age, position in company,
2. Which groups of people frequent your supermarket (in terms of age and gender)?
3. How do you encourage people to shop at SIM DELICE?
4. How would you define your marketing strategies?
5. Which STP systems do SIM DELICE supermarkets adopt to meet the market preferences of your consumers?
6. Which marketing mix elements (i.e. product, price, promotion and place) do you incorporate in your STP systems to attract your consumers?
7. How would you describe the retail format employed by SIM DELICE supermarket?
8. Can you describe your shelf placement? Do you prioritize some products in your arrangement?
9. Aside from price and promotional tools, how else do you encourage people of different ages to buy from SIM DELICE?
10. In your own opinion, which marketing mix and strategies do you believe are appropriate for the STP systems for the retail industry?
11. In your own opinion, which marketing mix and strategies do you believe are appropriate for the STP systems in Cameroon?

## Appendix 3

### Interview transcript

**Q: can you tell me about yourself, name, age and your profession?**

A: My name is Betty, I'm 38 years old and currently I am the assistant manager at supermarket SIM DELICE. I am also a part-time student undertaking my MBA at a local Business college.

**Q: Which groups of people frequent your supermarket (in terms of age)?**

A: Well, it quite not easy to specify on that, because we get customers of all ages. Young adults, the young, adults and the elderly. Also we get both male and female customers.

**Q: How do you encourage people to shop at SIM DELICE?**

A: we offer a number of promotional activities that are aimed to encourage the public to shop from SIM DELICE. There are customer loyalty activities that ar carried out, we offer price discounts on particular goods, at times there are free samples to be given and also there are the 'buy one get one' offers on some goods. We are also thinking of introducing the use of coupons.

**Q: Ok, on that note, How would you define your marketing strategies?**

A: well, our marketing strategies are based on product differentiation. We try to incorporate a wide variety of products from different brands so as to encourage people from different

demographic backgrounds to buy from our supermarket. In addition to that, we also work to ensure that the current customers are satisfied while we attempt to acquire more customers through the expansion of the range of products that we offer. For instance, our bakery increased our customers from the usual shoppers.

**Q: So, having that in mind, Which STP systems do SIM DELICE supermarkets adopt to meet the market preferences of your consumers?**

A: we conduct research and surveys to find out what the consumers would like to have readily available so that we can make these available for them. This we do, depending on which customer and from which area they come from.

**Q: Which marketing mix elements (i.e. product, price, promotion and place) do you incorporate in your STP systems to attract your consumers?**

A: well, like I mentioned earlier, we have the promotional tools such as the sale promotion techniques like discounts, coupons, and free samples that are incorporated in our marketing. Pricing depends on the costs of the goods and also goods that are most preferred by customers can be priced differently depending on the target consumers. Also we check the general pricing of goods from our competitors. For the product, like I mentioned, we offer a wide range of products.

**Q: How would you describe the retail format employed by SIM DELICE supermarket?**

A: generally, the goods that are more preferred by the customers are given first priority in arrangement, followed by the new products. Also, sometimes for the new products we can arrange them to be easily visible especially through the use of free samples for the consumers to see them.

**Q: Aside from price and promotional tools, how else do you encourage people of different ages to buy from SIM DELICE?**

A: with the developments in technology, we try to reach our customers through the online platform. We are in the process of creating our website where the consumers will be able to know where we are located and the services and products that are available with us.

**Q: In your own opinion, which marketing mix and strategies do you believe are appropriate for STP systems in retail industry?**

Ummmm...retail is one sector that continues to grow despite people trying to ignore it. But with the global growth in population, more retail businesses are expected to rise. Nevertheless, I think for retail, it is better to focus on a product or products and aim at acquiring as many customers as possible. Many customers mean a rise in demand which translate to a rise in income. For marketing, I think the best way to attract the consumers is to advertise as wide as possible using the modern methods.

**Q: In your own opinion, which marketing mix and strategies do you believe are appropriate for the STP systems in Cameroon?**

Like I have said, retail is growing and the increase on consumers is making this happen. For Cameroon, retail is one of the key industries for the economy. I believe retailers need to upgrade their retail advertising activities and introduce stores all over the countries to make the goods readily available in all regions, not just in cities and towns such as franchise. For strategies, I would say this depends on the retail business being carried out because we all know that different businesses require different approaches