

**Critical Evaluation of Cargills Ceylon PLC's,
Lowest Prize and highest sales at mass market
(mass customization) strategy.**

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1) Title of the Report

Critical Evaluation of Cargills Ceylon PLC's, Lowest Prize and highest sales at mass market (mass customization) strategy- retail supermarkets.

2) Executive Summery

This document provides an analysis of market planning/activities and their success or loop false in Cargills retail supermarkets. This further explains the strategies which used to drive the chosen organization and its stakeholders, to their ultimate objectives by reducing the prize and achieving high volume of sales. This identifies key areas of Marketing campaign, strengths, weaknesses, opportunities and threats and some micro and macro environmental factors which affect the entire process. Many of the points may strike you as plain common sense. although it is always worthwhile analyzing and learn the strategies behind the successful retail marketing story of Cargills, as it can save you both time and money in similar business.

3) Statement regarding Trade Names.

- The trademarks and trade names and company names in this document are the property of the respective companies.
- All the trade names and company name motioned in this document are used for educational purposes only.

4) Introduction to Cargills Ceylon PLC.

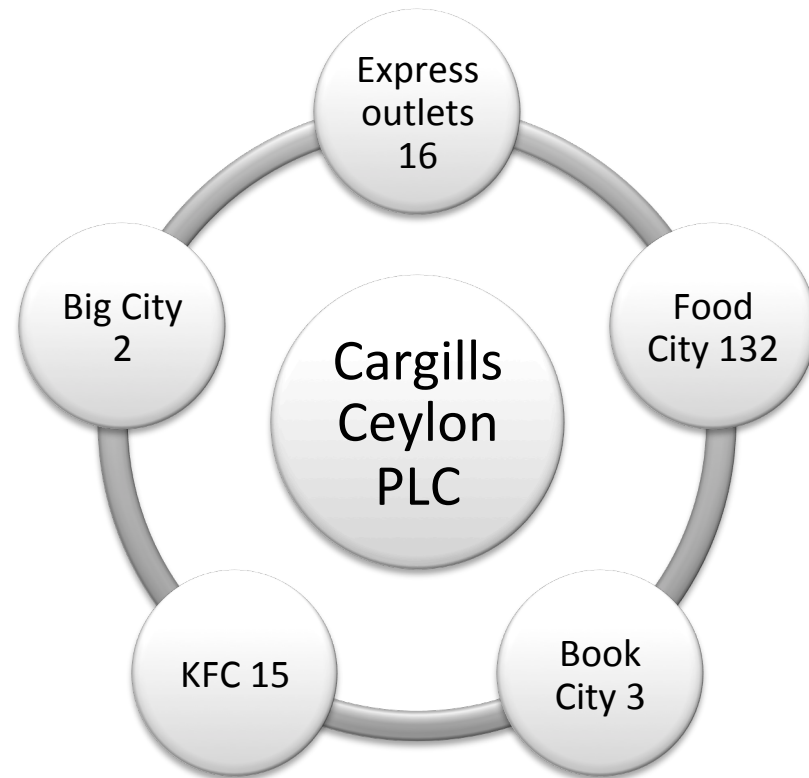
3.1) Background and History

- The company which we discuss in the case (Cargills Ceylon PLC) was established in 1844. At that time the country was controlled by British command. The country has the “closed economic system” based on agricultural exports (Ex: tea, coffee, coconut). According to Maslow’s hierarchy of needs theory, the majority of citizens were basic and safety need satisfaction level.
- Segment and target market: The company catered a niche customer segment such as British commissioners and high level British government executive who resident in Sri Lanka as well as local high level government agents and Excellencies. The targeted customer’s need level can be categorized as “esteem” and “Self Actualization”.
- Products: The main business of the company was to import luxurious items, (ex: foreign liquor, soaps, ornaments, perfumes, expensive food items, bikes, typewriters and many other expensive and luxurious items at that stage).
- Prizes: the prizes were extremely high. Since the shipping and handling expenses were very high. The target customers were above the basic need satisfaction level. Therefore a perceived value has added to the prices.
- Place: in first few decades there were only one department store was located at Colombo Fort (the heart of the capital of the country.) then limited number of stores were operated in 2,3 major cities of the country such as “Kandy” and “Nuwara-Eliya”.
- Promotion: Earlier there were no other competitors and the market. Market monopoly for the targeted audience was taken by Cargills. No special promotions, only interpersonal communication based personal selling and public relations can be identified as promotion tools. After few decades, Millers limited, Liver bros, John keels Holdings established respectively, and various other promotion tools were taken place accordingly.

3.2) Present Situation

- When the “open economy” established in the country in 1978, lots of competitors were came to the market and Cargills has to adapt the upcoming challenges caused by competitors.
- To gratify various segments of customers, Cargills has differentiated its retail stores as Cargills Food City™, Cargills Express™, Cargills Book City™, and Cargills BIG CITY™. Furthermore Cargills maintains 15 KFC™ franchise restaurants, 10 its own vegetable and perishable food processing units, Cargills Magic™, Fresh milk and Ice-cream factories, Cargills Supremo™ meat factory, Cargills KIST™ factory and more than hundreds of product lines and its own household brands such as Cargills Home™ cleaners, detergents, Milca™ milk powder, Cargills spices™ , beverages etc.
- Cargills has further driven the growth of convenience stores in Sri Lanka through its 16 Cargills Express™ outlets which are located at 24-hour fuel stations. Cargills Express™ caters especially to the pressures of modern lifestyles which leave many with little time to shop for essentials.
- Cargills BIG CITY™ is the ease of a one-stop shop that gives the shoppers the convenience of purchasing groceries and a range of household and kitchen-ware under a single roof.
- Today Cargills Ceylon PLC has the largest chain of retail supermarket outlets (Cargills Food City) in Sri Lanka geared with over 135 outlets spread across the island covering 17 districts.
- The Cargills Food City™ rated the Most Valuable Retail Brand in Sri Lanka as well as 3rd most valuable brand in the country. [Reference 01]
- In year 2009 Cargills became among top 10 world retailers. [Reference 02]
- An important milestone in Cargills retail history is the decision made to take supermarkets to the masses. Today it serves more diversified segments of customers.
- Basic Info.
 - Transactions- more than 3 million TPM (Transactions Per Month)
 - Total Carder- 5115 (on 22nd February 2010)
 - Revenue-LKR 4,648,173,000 [Reference 03]
 - Ownership- Public limited Liability Company

5) Organizational Map- Retail



- According to the retail organizational map of Cargills, KFC™ is on processed fast food restaurant category. And KFC™ has its own competitors such as Mc Donald's™, Pizza Hut™, Dominos™, Dine-mor™ and Mr.Chiko™.
- Book City™ is another niche area which targets a separate segment of customers to who purchase books, magazines and stationary etc. it has its own competitors such as Sarasaviya™, Vijitha-Yapa™ and expo-graphics™.
- Therefore, in this case study we ascertain only on retail supermarkets to analyze the marketing activities and the strategies behind it.
- **Selected product for Case-** Cargills Supermarkets (Foodcity, Bigcity, and Cargills Express)

6) SWOT Analysis to Examine Current Status



A SWOT analysis is an analysis of the strengths, weaknesses opportunities and threats affecting the company. This analysis method helps to identify the current position of the company in the market. Strengths and weaknesses are internal factors of the company while the opportunities and threats can be identified as external factors.

6.1) Strengths

1. Goodwill & Reputation: The value of the Cargills name has not calculated yet. But the value of the goodwill can be implicit via the following (last year 2009 data),
 - Among Finalist, World Retail Awards 2009
 - Platinum brand of the year 2009
 - Among Best Corporate citizen 2009
 - Most Valuable Retail Brand in Sri Lanka 2009
2. Clear Direction by senior management.
3. Large network of outlets: increased reach; perceived as close to home, convenient.

4. Superior technology: Cargills Ceylon Plc has the largest (except telecommunication service providers) IPVPN wide area network in Sri Lanka with hundreds of router and network communication links. With these island wide IPVPN tunnel Cargills was able to provide more value added service to its customers.
 - Cargills provide online Telecommunication bill payment system with all the cellular and fixed line telecommunication service providers in Sri Lanka. (Ex: Airtel, Dialog, Tigo, SLT, Lanka-bell, Suntel etc.)
 - cable TV and broadband internet bill payments, money transferring, banking services (Ex: Sampath e-remittance, commercial and Sampath bank deposit services)
 - Maintaining its own Cable radio broadcasting system to strengthen the communication with its customers (Promotions).
 - Cargills currently implementing Oracle-JDE ERP system to strengthen the IT backbone and provide more and more value added services.
5. Strong logistics: Cargills has one of the largest warehouse in the country, which known as “CWH”, which holds more than 50000 brands of item. The minimum SHD (Stock Holding Days) for CWH is 15. The delivery network exceeds hundreds of vehicles which operate 24x7 to deliver stocks from CWH to retail outlets.
6. Having strong recognizable brands: Cargills has strong brands of product which range from Home Care Range to Ice Cream, Meats, Sauces, Juices, Nectars, Squashes, Jams, Rice, Pulses and Sugar. Some highly recognized brands such as KIST™, Suprimo™, Milca™, Magic Ice-cream™ etc. Many modern trade imitators have emerged on this reason.
7. Strong relationships with suppliers: Cargills have long term agreements in place with strong suppliers and their representative in this region such as Uniliver Ceylon, Stasens, Millers, Prima, and Nestle Lanka etc.
8. Assets and financial stability: According to the December 2009 interim financial report Cargills total Asset (fixed asset+ current asset) value is LKR 7,902,943,000.

Therefore the debt/asset ratio is becomes lower and lower in past few years.

This indicates lower leverage and the financial stability of the company.

- 9. Years of experience & Heritage:** Cargills Ceylon is operating on Sri Lanka since 1844. None of the other competitors (will describe in section 7 and 8 of this document) does not have 166 years of experience.
- 10. Direct link to farmers and rural sector:** driving force in building nation and bringing competitive pricing. Cargills direct carder exceeds 5000 employees. Most of the employees aged between 18-25, who came from rural areas.
- 11. Lowest Prize:** Being perceived as the lowest priced supermarket in the country (leading through vegetables & fruits.)

6.2) Weaknesses

- 1. Poor Leadership** at store level and operational level
- 2. Manpower shortage** at store and operational level
- 3. Lack of trained employees** at store and operational levels
- 4. High staff turnover**
- 5. Drop in service levels and standards** i.e., housekeeping, speed, accuracy, courtesy, price disparities, inconsistent merchandising
- 6. Storage issues** at outlets.
- 7. Maintenance response time** is inadequate.
- 8. IT backbone and capacity building** to keep pace with high expansion.
- 9. Lack of focus** on other retail formats (Big City, Express, Book City)
- 10. Lack of focus** on Pharmaceutical business.
- 11. Inadequate Fish supply**
- 12. Delays in payments** to small suppliers.
- 13. Enhancing convenience** i.e., bottleneck at vegetable, check out and parking issues
- 14. Poor rapport** with state officials.

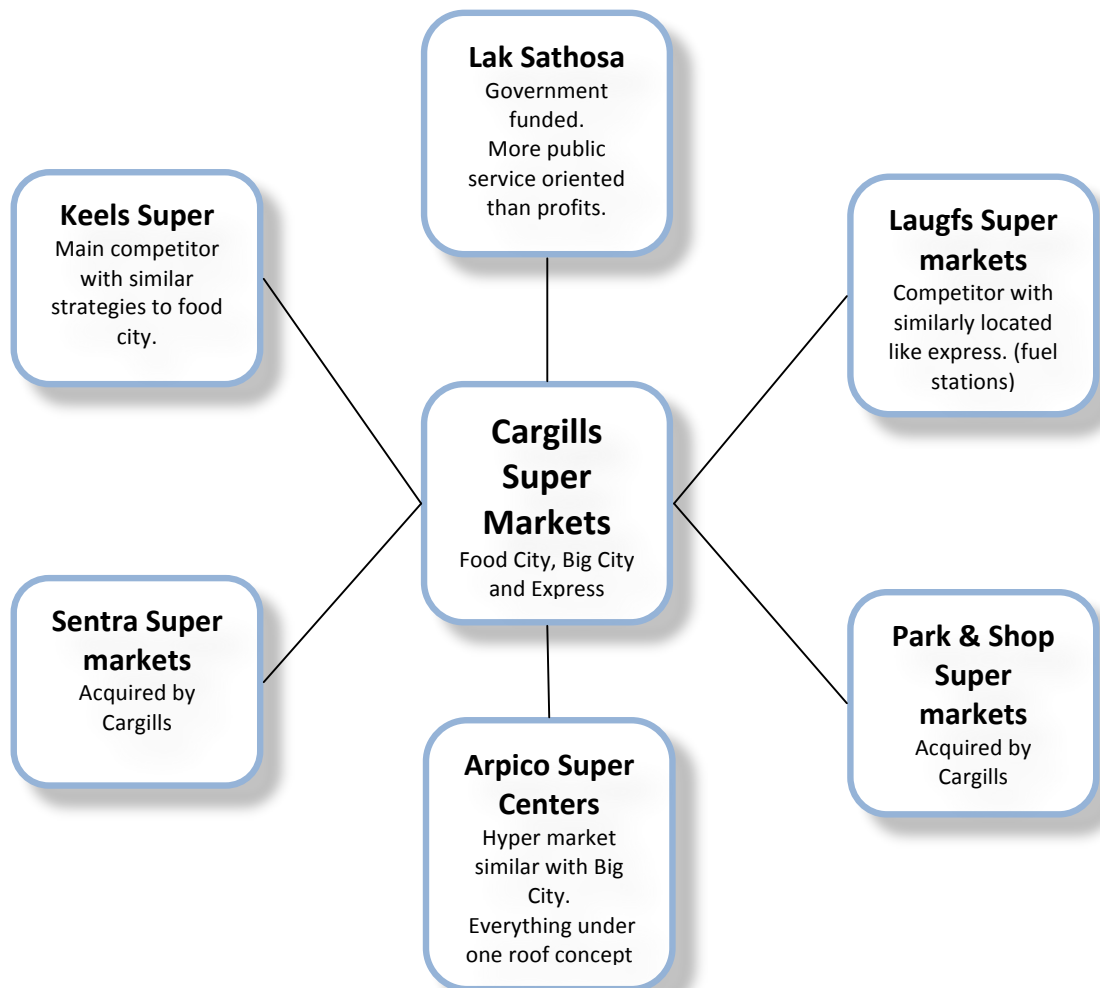
6.3) Opportunities

1. Expanding the supermarket chain: After 3 decade of civil war Sri Lankan companies are now able to expand their businesses on war affected areas on north and east provinces of the country. (Ex: FC Jafna, FC Trincomalee, FC Batticaloa, Fc wauniya)With this new trend Cargills is anticipating to expand its retail chain from another 100 Foodcity™ and 4 Bigcity outlets in 2010.
2. Growth in modern trade through Urbanization and Modernization.
3. Developing closer rural links and improving quality of life and building future market for Modern Trade.
4. Communicating our nation building efforts (CSR) to the employees & masses.
5. Increased demand for convenience as increasingly both spouses work in Sri Lanka.
6. Adding more and more value added services through partnership with utility companies, and increasing customer convenience
7. Opening larger format stores in urban city centers, and penetrating rural areas with smaller format convenience stores.
8. The Albert A Page Institute of Food Retailing builds a base of well trained employees for the future.(the 1st and food processing diploma in the country)
9. Ability to launch More Cargills Brands, and Private Label Brands

1. Does not have an online shopping system: most of the international level supermarkets are operating on internet based virtual supermarket systems (online shopping). with the busy lifestyle of today, customers are preferred to do shop online. Cargills has not identified or disregarded the necessity of such a system. But its main competitor “Keels super” has its own online virtual supermarket and it has become an upcoming threat to the company in the future.
2. Global economic downturn and highly increasing inflation rate inside the country has negative impact on customers buying power. This reduces the basket value of the average customer.
3. Government’s policy and prize standards: This is a common threat to all the retailers in the country. Currently Sri Lankan government does not have a strong fair trade policy, or price standardizing methodology for merchandise control. (There is a policy for GAS, wheat flour and few other essential goods in Sri Lanka). Since of the prize fluctuation is extremely high (in April, December seasons and harvesting seasons), it leads the market unsteadiness, and complicatedness in forecasting.
4. Government tax policy: Government tax policy can be identified as another PESTEEL factor which affect on Cargills as a threat. Currently Sri Lankan government charges approximately 12.5% of value added tax (NBT and other levies) on most items. This increases the prize of the products and fluctuating tax rates make negative impact on the business and trade agreements.
5. The steady growth of competition like Keells Super, Laughs, Arpico, and rise in store standalone supermarkets
6. Head hunting of trained staff and store managers by competitors.
7. State officials lack of understanding of modern trade.
8. Rising customer complaints on service levels and standards (mainly in developed urban areas)

9. Entry of an international Giant
10. New laws not conducive to modern trade development.

7) Competitor Map- Retail



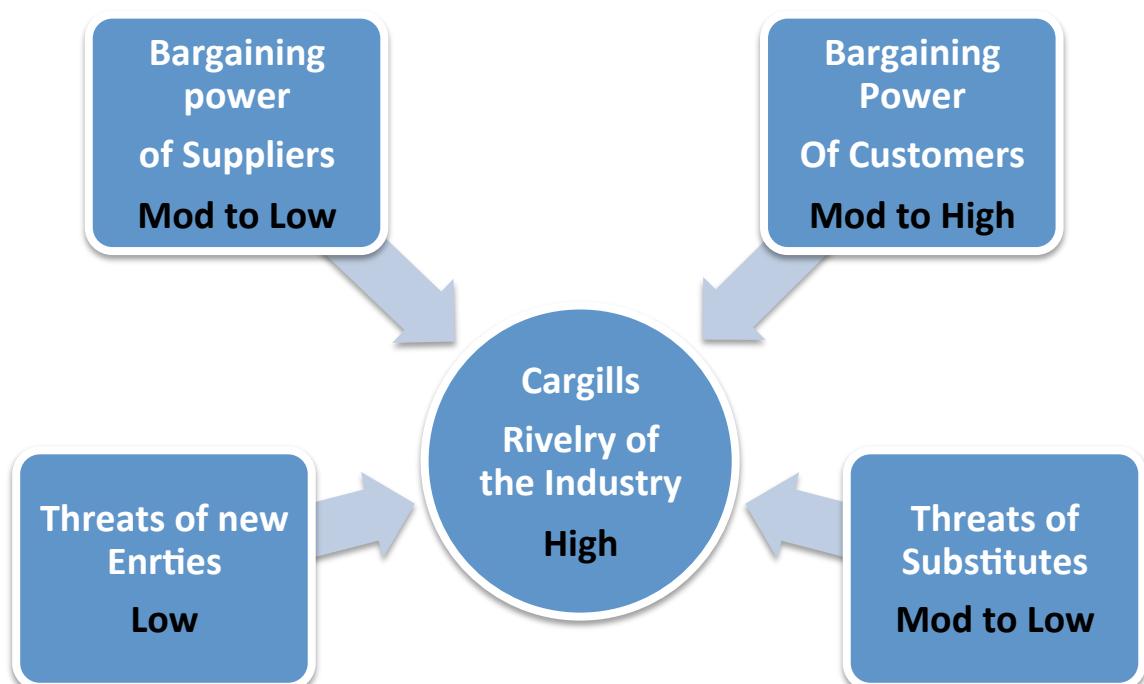
- According to the above diagram we have taken 6 major competitors of Cargills supermarkets in to consideration.
- **Lak sathosa:** is a government funded supermarket chain. And it targets middle rage and customers with low income or in other words, the customers have more awareness on price than service.
- **Laugfs Super markets:** are mostly located on Laugfs fuel stations, (customers basically afford to maintain a car comes here). Targeting customers who have a

limited time to spend on shopping. A limited amount of frequently used goods are available (limited selection).

- **Arpico Super Centers:** hyper market type of stores which have larger floor area, a wide selection of products, more brands. Located in cities with high population. Food items to pharmacy, house hold items, electronic appliances, even furniture, and a wide range of products can be purchase under one roof.
- **Park and shop:** supermarkets had acquired by Cargills and stores were re-established under Cargills Food City trade mark.
- **Sentra :** supermarkets had acquired by Cargills. Some profitable locations are operating under name of Sentra (with Cargills staff and systems) and the rest were re-established under Cargills Food City Trade mark.
- **Keels Super:** is the main competitor with similar setup, Floor area, price range, services and products availability.

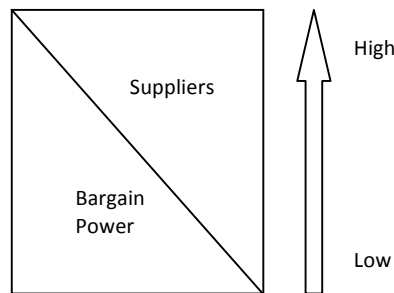
8) Competitor Analysis -Retail Supermarkets

- Method for the competitive analysis of Cargills retails business- Michel Porter's five forces framework



8.1) Bargaining Power of Suppliers:

- Bargaining power of suppliers is not an extensive force for Cargills supermarkets.



Currently Cargills have more than 2000 suppliers who supply more than 20000 products.

- One of the main strategies of Cargills is to acquire the most important business entities which have the bargaining power on their business. Cargills main supplier was millers limited. Cargills acquired the company (millers limited) in year 2008. With this acquisition Cargills was able to use millers limited's sophisticated distribution channel in an optimum manner for its business.
- Cargills has developed its own concept call "farm to shelf". With this concept Cargills collects vegetables, fruits, milk, eggs, meat, fish, spices, rice, and lot of other food products directly collected from rural farmers. Cargills has established a separate entities call VPU's (vegetable processing units) on highly agricultural areas like Dambulla, Norichcholei, Nuwaraeliya etc. Over 10,000 Sri Lankan small-holder farmers have connected with this program directly. They can either deliver their products to the nearest VPU or to Cargills collection vehicle directly from the farm (pre agreed). This process significantly reduces the cost of delivery/collection and totally eliminates intermediaries such as wholesalers and dealers and collectors. This cost advantage directly goes to Cargills customers as well as farmers (they are getting higher prize for their product due to low intermediaries and processing cost). This is a mutually beneficial process to customer, Cargills and its direct suppliers.
- Acquisition of KIST (CPC Lanka) factory. KIST is the second largest manufacturer of Jam, cordial, souse and beverages in Sri Lanka. With this acquisition Cargills were able to sustain more market share as well as put huge pressure on other

competitors such as keels super since they have to buy and sell the above range of products.

8.2) Bargaining power of Customers:

- This is the most significant fact which affect on Cargills retail business. The current effect can be identified as moderate to high.
- Increasing bargaining power of the customer reduces the prize. The gross margin for average item on Cargills is 2.5%.
- With the increasing buyer's powers this value may go even low and the company is in the hunt for more volume of sales, than seeking for better profit/ margin per product.
- Constantly commencing promotions and rapidly increasing communication channels of competitors, enhances the bargain power of customers. When the customers are more aware of the substitutes and competitors they have more tendencies to go for alternatives.
- Even if the Cargills has the market leadership, it spends millions of rupees on advertising budget every year to maintain their portion in the customers mind set.

8.3) Rival of Substitutes:

- Substitutes from other supermarkets Ex. keels and Arpico leads the customer to put more pressure on Cargills. Earlier (before 1980s) there was no alternative choice for Cargills products in the markets. But today the customers have more substitutes to go for.

- Most of the substitute products have low quality. Therefore the challenge is not enough to make a change.
- Therefore the threat of substitute is taken as moderate to low risk.

8.4) Rival of New Entry:

- Over the past 26 years, Cargills has retained its market leadership through competitive advantage of its low cost, high CSR (corporate social responsibility) and many other reasons.
- Because of that it is not easy for a new comer to compete in the retail sector in Sri Lanka.
- Below two outlet level and corporate level examples will elaborate it further.
- Ex 01: Cargills most profitable outlets are located on “Kandy” and “Staple Street”. Recently Keels super has started giant supermarkets very close to the above two outlets mainly targeting to grab Cargills customer crowd. But when analyzing the profits of these outlets before and after the new competitors arrival (figures-in numbers has not published in this document due to Cargills data confidentiality policy) can identify that the sales has increased. Therefore we can assume that just an entering a new competitor will not directly affect your business unless you have a good strategic plan.
- Ex 02: Kings Supermarkets are another example for a new entry to supermarket sector. They have started their supermarket chain with 4 outlets in 2007-2008. They have taken few well trained employees from Cargills (head hunt), they come up with a slightly imitated theme to Cargills (Cargills - lowest prize-red theme, Kings-something lower-orange theme). within few months, 2 of their outlets were closed due to high maintain cost, low brand identity, poor leadership, poor supply chain etc. and most of the outlets were sold out (short product lifecycle) and some are re-opened with a new brand name “Magna” by

its new management (magna is running on small scale, therefore it's not considered in the above competitor map).

- Since the Cargills has first mover advantage and competitive advantage, the risk of new entry can consider as a low-risk factor to Cargills supermarkets.

9) Marketing Mix of Cargills Supermarkets

9.1) Product:

Product is a bundle of benefits which acquired by the buyer from the exchange process. Cargills has a huge product mix and a number of own product lines. This own product lines give better margin to Cargills than other products.

Ex:

Product Line	Cargills Product - few examples
Beverages	Mango Nectar, mixed fruit nectar
Condiments and Sauce	KIST Tomato sauce, Kist Chilly sauce
Milk Powder	Milca
Ice-cream	Kithul-Cup, Mango-batta, Vanilla-Magic, chocolate, malt, strawberry, mixed fruit,
Spices	Cargills pepper, chilly, curry powder
Meats	Suprimo meatballs, sausages, sams sausages
Washing Powder	Cargills washing powder, detergent, lemon soap,
Rice	

- Cargills products are segmented according to the customers. Ex: FoodCity staple street (Developed area) customers are able to buy more expensive items, canned foods and processed foods (as per their lifestyle) while FoodCity Hambanthota (Rural

area) people are enjoying essential goods than luxurious, branded items and processed foods.

9.2) Prize:

Cargills is very popular as the lowest prized supermarket in the country.

- Cargills has significantly reduced the prizes of rice, vegetables and its private brands by totally eliminating intermediaries. This cost benefit directly goes the customers and farmers.
- Cargills has the fixed price range for any location.

Ex:

Usually when a product deliver from Colombo (where the commercial capital) to Anuradhapura (300km away), A delivery cost is added to the product's value, but Cargills customers can enjoy the same lowest prize in anywhere in the country due to its cost saving processes and infrastructure.

9.3) Place:

Cargills supermarkets have one of the largest retail distribution channels in Sri Lanka with more than 150 retail outlets, collection centers warehouses and factories. And it is perceived as the supermarket very closely to home.

- Today Cargills has covered almost 17 districts and is planning to expand retail chain from another 100 Food city and 4 big city outlets in this year.
- Cargills supermarket has categorized in to 3 levels using various parameters (customer segments, sales volume, avg. Basket value etc.)

Ex:

- A level- Food City Nugegoda

- B Level- Food City Kottawa
- C Level- Food City Pannipitiya
- The company recruits and place its employees according suit the segments.
Ex: Tamil speaking people have recruited to FC Wauniya, Trinco, Janfna to give better service to the customer according to their demographic profile
- Cargills has even targeted on niche segments and place their retail markets in BIA (bandaranayaka International Airport) Ipalogama (A military Village) and Diyathalawa (Military academy) as well.

9.4) Promotions:

Promotions make awareness on the customers. The AIDA model describes the process of achieving promotional objectives in terms of consumer involvement.



Promotional Tool	Activity
Advertising	Communicate to mass market via TV , Radio and newspaper advertisements
Public Relations	Make use of sources which are credible to target audience. Most CSR projects of Cargills have intentionally or unintentionally created the public relation type promotional advantage.
Personal Selling	Cargills is more on FMCG market. Therefore personal selling is not happens.
Sales Promotions	Short term marketing activities. The most common promotional tools used in Cargills. Ex: Monthly Best buy Promotions, contests, coupons, seasonal promotions, bill promotions, wipeout promotions, buy-x get-y free, bill discount and line

	discounts.
Direct marketing	Cargills send its promotions and other offers to its customers 1million database via email , directly delivering best buy tabloids to doorstep etc.

9.5) People:

When considering about the people factor following elements can be identified

- Staff capability- Cargills recruits hundreds of fresh graduates and school leavers to their operation level management and staff. More than 95% of them are coming from rural areas. These people are well trained at Alfred A page institute of food marketing.
- Efficiency- staff is very efficient since most of them are young.

9.6) Physical Evidence:

- Good receive note and transfer in –out notes(GRN, TIN and TON)
- Receipt and invoices.
- Uniforms and Brand labels
- Outlet shelves and display to outside.
- More parking facilities.
- Sign boards, Gondolas, cutouts.
- Advertisement and special promotion updates on Cargills radio channel.

9.7) Process

- Process indicates the set of activities the customer goes through to obtain the desired product or service.

- Order processing procedures
- Cargills has reduced the waited time of customer at the cashier's cue, by introducing high speed barcode scanners.
- In the next step Cargills is planning to introduce RFID to automatically scan and bill preparation when customer arrives to cashier counter.
- Service delivery and appraisals on staff.
- The process can be tailored to the needs of different customers

Ex: if a customer has purchased bigger amount of product (which he cannot carry on to his car by himself) a sales boy is sent to assist him.

10) Cargills –How to Differentiate from Others

- Marketing is an exchange process between prize and value. This section discusses the marketing strategies, activities and processes behind the scene on a Cargills supermarket to deliver better value and service to its customers. Cargills has extended its considerations to even very small things in a supermarket because they have an effect on customers buying behaviors. Most of the points below are based on psychographics analysis and experiences identified by Cargills business intelligent unit (BIU).

Walk through the supermarket

- Research has shown that, people usually entering to a supermarket from the right side of it. Therefore all Cargills owned supermarkets, the main entrance is located on the right side.
- Cargills has its own culture to greet “Ayubowan”(The Sri Lankan way of wishing a long life) and welcomes its customers when they enter the supermarket by doorman.
- According to researches, shoppers usually go around counterclockwise direction when they are shopping inside a supermarket. Therefore Fresh food and vegetables are located on the right sight.(entrance side)
- Normally Cargills supermarkets have 5 departments,

- Perishable
- grocery
- Butchery
- Pharmacy
- Wines

All of the products available in Cargills (average 10000, altogether 25000 in product master file) are categorized in to 18 categories. They are as follows,

1. BV – Beverages
2. CS- Condiments and Sauce
3. PS-Pasta-Ex: Noodles, Macaroni
4. CF-Canned Food
5. SC- Snack and Confectionaries
6. BP- Baby Products
7. BC- Breakfast Cereal
8. BK- Bakery
9. GM-General Merchandise-Ex: batteries, tissues, paper plates
10. HH-House Hold- Ex: Washing powder, Soap
11. PC- Perfumes and Cosmetics
12. DI-Dessert and Ingredients
13. DY-Dairy- Ex: Fresh milk, Yoghurt, Curd
14. JS- Jams and Spread
15. FT-Fruits
16. VG- Vegetables
17. BC-Butchery- Ex: meat, sea food
18. FF- Frozen Food- Ice-cream, sausages, meat balls

- Each and every product has a minimum quantity call MBQ (minimum based quantity) which is always available on the outlet. Therefore it is hardly to see a product getting out of stock in Cargills.

- Each of the above categories is given to staff member of the outlet. When the customer pick an item on the shelf the responsible person should place the adequate quantity of items on the shelf.
- This adequate quantity is researched and calculated by the BIU at Cargills head office. Each and every product category has its own way of displaying on the shelves. This adequate quantity and the way of displaying is called “planogram”. Cargills has its own sophisticated system of planogram. And it is a key confidential system of Cargills which none of the other competitor has. (just like coca-cola recipe and KFC recipes). This even tells, what is the angle a product should place on its shelf and helps to generate more sales by,
 - Optimal product visualization
 - Optimal usage of space on the shelf
 - Optimal commercial placement (specially for fast moving items)
- In Cargills supermarkets customers have the freedom to buy any number of items, any quantity at any outlet. (where, When, How)
 - Where-When a customer needs to purchase something he/she can visit any FoodCity, Bigcity, Express, KFC, or Bookcity according to their need. Cargills Gift vouchers, Gift cards, reloadable card, senior citizens cards are accepted at all the above places.
 - When- Cargills is the only supermarket which operates 364 days per year and long working hours.
 - How- Cargills is the only supermarket which allows its customers to buy any small amount of items. If the stocks are not available on the outlets a special order can be placed for high volumes. If the customer wants to buy 100g of rice, it is also feasible in Cargills.

11) Recommendations

- Cargills reinvest most of its profits on rural stakeholders (famers, small hold manufacturers etc.) this is an indication of Cargills long term investment and the CSR. If Cargills has reinvested on expand the retail business out of the country,

more exposure and new markets could be achieved.(A new project has planned to expand its retail businesses to Maldives, India and Bangladesh)

- Starting a call center will help the company to make more sophisticated communication channel between its customers.
- Better CRM (Customer relationship management) system is recommended to solve customer complaints effectively and efficiently.
- A loyalty card program is recommended to sustain available customers. (Currently Cargills have only a gift card and a senior citizens card system).since the 80% of the profits comes from existing customers, their retention is very important.
- If the company can start a virtual supermarket (the new trend) it could have address and target a new segment of customers.
- Marketing plan should be improved more to compete the competitors.
- Cargills should consider more on retaining their skilled employees since the company has a influence on staff (Specially pharmacy and butchery)

12) Conclusions

The following methods and techniques have used in this case study to analysis and understand the marketing concepts and strategies used in the Cargills Ceylon PLC's retail marketing activities.

- SWOT Analysis,
- Porter's 5 forces framework,
- Competitor Analysis,

The following Key Concerns and Key Focuses have identified,

Key Concerns and focus

- Superior leadership
- High availability and outlet expansion
- Price fairness
- Empowering youth

- More towards development of rural areas and agro business.
- High involvement in to economic growth of the country.
- Superior supply chain management and distribution channel management.

13) Definitions, Abbreviations, and Acronyms

CSR : Corporate social Responsibility

CRM: Customer relationship management

Express™: A type of convenient store managed by Cargills Ceylon PLC

FC: Food City

IPVPN: IP Virtual private networks

Outlet: Retail supermarket store

Psychographics: The use of demographics to study and measure attitudes, values, lifestyles, and opinions, as for marketing purposes.

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