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## LAB DA- I

# Services Science and Service Operational Management

## **Design a Supermarket in Cosmopolitan City**

# Introduction

The need for all home products, including fruits, vegetables, biscuits, ice cream, soaps, and detergents, to be offered at one location has expanded, leading to the creation of supermarkets. Price, quality, and variety can all be altered to accommodate the policies of rival businesses, but location cannot.

A supermarket is a sizable, self-service retail establishment that sells a broad range of food and household items, including meat, dairy, fresh produce, and baked goods. Supermarkets frequently stock a variety of non-food products as well, including toiletries, cosmetics, and household goods. The majority of supermarkets have extended hours and are open seven days a week. Typically, grocery store shoppers move through the aisles of the store, filling a basket or shopping cart as they go. A pharmacy, a bank, and a post office are frequently found inside commercial supermarkets. Some supermarkets provide online purchasing with choices for store pickup or home delivery.

## There are several types of supermarkets:

**Traditional supermarkets:** These are the most prevalent kinds of supermarkets, and they provide a wide range of goods, such as dairy, meat, fresh produce, and household goods.

**Superstores:** Superstores are bigger versions of conventional supermarkets and frequently provide a wider variety of goods in addition to extra services like a pharmacy or a bank.

**Discount supermarkets:** These supermarkets have a smaller product assortment and charge less than regular supermarkets.

**Organic supermarkets**: Produce, meat, and dairy items are all sold organically and naturally at these stores.

**Specialty supermarkets:** These supermarkets focus on a certain category of goods, including gourmet or ethnic cuisine.

**Convenience stores:** These are compact supermarkets that cater to shoppers on the go and are typically open for longer hours. They often have fewer product options and charge greater costs than conventional supermarkets.

**Online supermarkets:** These stores allow customers to shop for groceries and other household items online and have them delivered to their home.

# **Objectives of Supermarket:**

The following are some of the goals a supermarket could have:To provide clients a large selection of items at a convenient place.should provide affordable costs in order to draw in and keep clients.to increase revenue through efficient cost and inventory management.to deliver top-notch customer service and foster a satisfying shopping environment.help keep the retail atmosphere tidy and orderly.must continually develop and adjust to shifting market trends and consumer preferences.to establish and keep up a solid brand reputation.When picking a location for a supermarket, there are several things to take into account. Among the important factors are:

# **Location Selection for SuperMarket**

Supermarkets are typically located in areas with high foot traffic or where there is a concentration of households, such as in residential neighbourhoods or near office buildings. They may also be located in shopping centers or as stand-alone stores in a commercial area. Some supermarkets are also located in rural areas, where they may be the only source of groceries for miles. In some cases, supermarkets may have multiple locations within a city or region.

Supermarkets can be found in a variety of locations, including:

- 1. In shopping malls or centers
- 2. In standalone buildings in urban or suburban areas
- 3. In smaller towns or rural areas
- 4. Along major thoroughfares or highways
- 5. In neighborhood shopping districts or strips

Supermarkets may also be located near other types of retail stores or services, such as banks, gas stations, or pharmacies. Some supermarkets are part of a larger chain and can be found in multiple locations within a city or region. Others may be independently owned and operated, and may only have one location.

## **Layout**

## **Types of Layout:**

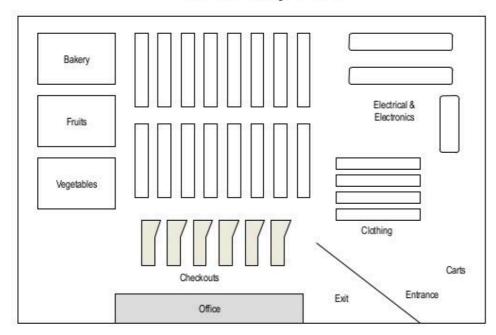
There are several design patterns that are commonly used in supermarkets to help increase efficiency and improve the shopping experience for customers. Some examples include:

- A. The grid layout: This is a common layout that arranges products in long rows and columns, similar to a grid. This layout makes it easy for customers to find products and allows for efficient restocking by store employees.
- B. The loop layout: This layout arranges products in a circular pattern, with aisles leading from the center of the store to the perimeter. This layout encourages customers to walk the entire store and potentially discover products they might not have otherwise seen.
- C. The cluster layout: This layout groups similar products together, such as all the dairy products in one area and all the produce in another. This makes it easier for customers to find what they need and can also encourage impulse purchases.
- D. The destination layout: This layout places high-margin or popular items at the back of the store, requiring customers to walk through the entire store to find them. This layout can increase the amount of time customers spend in the store and potentially increase sales.

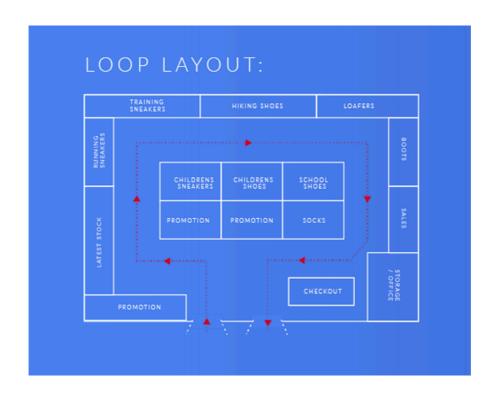
The specific design pattern used in a supermarket may depend on the size and layout of the store, as well as the target customer demographic.

## 1.Grid Layout:

**Grid layout** 

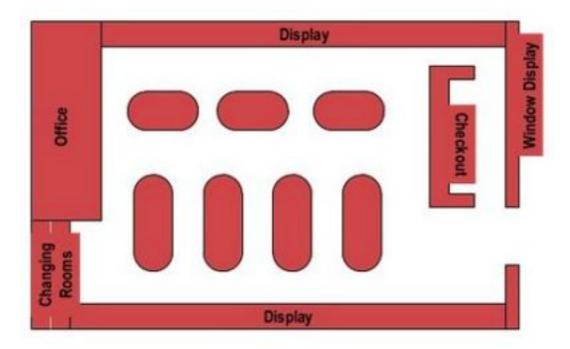


## 2.Loop Layout



## 3. Free flow Layout

# Free form layout



## **Dimensions and design tips**

There are several national and local regulations regarding dimensions when it comes to designing a supermarket.

Below we provided some approximate store measurements, however you should always refer to your local standards.

- height for newly built premises ≥ 3.00 m (118.11 in);
- height for pre-existing premises ≥ 2.70 m (106.29 in);
- minimum height of emergency routes and exits 2.00 m (78.74 in);

- emergency routes and exits must remain clear of any obstacles;
- emergency door width  $\geq$  0.80 m (31.49 in) sizing depends on the premise level of crowding;
- provide changing room and toilet facilities for staff;
- retail mezzanine floor area ≤ 2/3 of the store surface
- minimum height above and below the mezzanine  $\geq$  2.40 m (94.48 in) (average height  $\leq$  2.20 m/ 86.61 in for sloped roofs);
- mezzanine depth≤ 2.5 times the lower one of the previously indicated height measurements.

With regard to the aisle width between rows of shelves, it is useful to consider sufficient space that enables customers to stop and pay attention to products even in case of overcrowding.

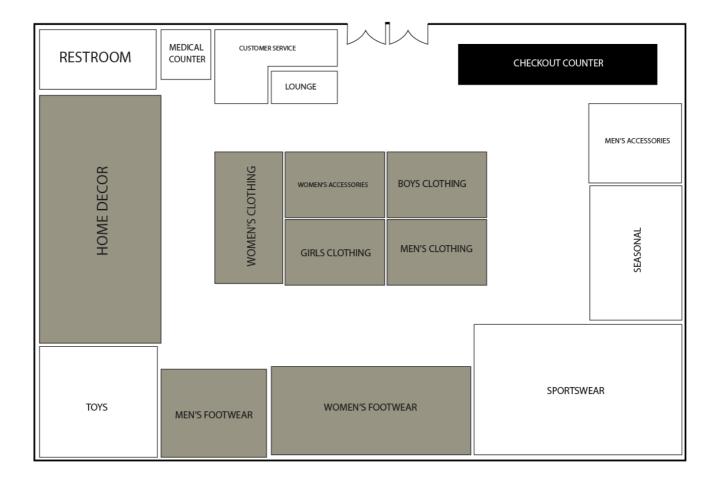
#### Supermarket aisles dimension

The overall dimensions of individual shoppers and furnishings to take in consideration are:

- shopper walking in the aisle -0.60 0.90 m (23.62 in -35.43 in)
- shopper standing in front of shelves -0.75 0.90 m (29.52 in -35.43 in)
- shopper with trolley 0.75 0.90 m (29.52 in 35.43 in)
- person in wheelchair ≤ 0.90 m (35.43 in)
- display rack width 0.80 m (31.49 in)
- chiller cabinet width 0.90 m (35.43 in)
- refrigerator unit width 1.40 m (55.11 in)
- deli counter width 1.20 1.40 m (47.24 55.11 in)
- shelving width 0.80 m (31.49 in).

Following these tips you'll be able to create a functional environment and a good customer experience.

# Layout that we are going to look upon for our supermarket is:



Total dimensions 3500 sq ft

# <u>Segmentation</u>, <u>Targeting</u> and <u>Positioning</u> of Customers

A large target market is divided into smaller groups, or segments, depending on certain characteristics, and then marketing campaigns are created and put into action to successfully reach and appeal to those segments. This process is known as segmentation, targeting, and positioning (STP). There are many different methods to do this, and the particular strategy that a supermarket chooses will rely on both its economic objectives and the features of its target market.

In a supermarket model, demographics like age, gender, income level, and education level can be used to divide up the consumer base. For instance, a supermarket may cater to young families with small children by having a play area inside and a large range of food goods that are suitable for children. Customers can also be divided according to how frequently, what, and how much they generally spend while shopping. By offering loyalty programmes or specialised discounts, a supermarket may target more frequent customers in an effort to keep them coming back.

The supermarket may then create and conduct marketing initiatives that are specific to those categories once it has determined its target market groups. For instance, if the store is aiming to attract young families, it can place advertisements in parenting publications or on social media sites that are well-liked by this demographic. Similar to this, if the supermarket is aiming to attract more frequent customers, it may do so by enticing them with special deals or other rewards through its loyalty programme.

When it comes to positioning, this relates to how the supermarket sees itself in the eyes of its intended customer base. This can entail showcasing certain qualities or advantages that are especially alluring to those target markets, such a large range of organic or locally sourced goods or a practical location. The purpose of positioning is to set the supermarket apart from its rivals and to develop an appealing value offer for its intended audience.

### Methodology

Market segmentation is the process of dividing a market into smaller groups of consumers with similar needs or characteristics. There are several methods that can be used to segment a market, including:

- 1. Demographic segmentation: This involves dividing the market based on characteristics such as age, gender, income, education, and occupation.
- 2. Psychographic segmentation: This involves dividing the market based on consumers' attitudes, interests, and lifestyles.
- 3. Behavioral segmentation: This involves dividing the market based on consumers' behaviors, such as their usage patterns, loyalty, and willingness to try new products.
- 4. Geographic segmentation: This involves dividing the market based on location, such as by country, region, or city.
- 5. Firmographic segmentation: This involves dividing the market based on characteristics of the business or organization, such as industry, size, and location.

By using market segmentation, companies can better understand and target specific groups of consumers, which can help them tailor their marketing efforts and improve their chances of success.

## P's of Marketing

#### 1. Product:

The most common products in demand at supermarkets tend to vary depending on the location and the demographics of the customers. In general, however, some of the most commonly purchased products at supermarkets include

- 1. Fresh produce: This category includes fruits, vegetables, and herbs.
- 2. <u>Meat and poultry:</u> This category includes various cuts of beef, pork, chicken, and other meats.

- 3. **Seafood:** This category includes fish, shellfish, and other seafood products.
- 4. **Dairy products:** This category includes milk, cheese, yogurt, and other dairy products.
- 5. **Baked goods:** This category includes bread, pastries, and other baked goods.
- 6. <u>Canned and packaged goods:</u> This category includes canned fruits and vegetables, soups, sauces, and other packaged products.
- 7. **Frozen foods:** This category includes frozen dinners, ice cream, and other frozen products.
- 8. **Beverages:** This category includes water, soda, juice, and other beverages.
- 9. <u>Cleaning supplies:</u> This category includes household cleaning products such as laundry detergent, dish soap, and all-purpose cleaners.
- 10. <u>Personal care and hygiene products:</u> This category includes products such as toothpaste, shampoo, and deodorant.

#### 2. Price

Demand and supply for the product, as well as the following factors, affect the price of the product:

How much raw materials cost: The cost of the raw materials used to make a product might affect its pricing. For instance, the cost of bread made from wheat may increase if the price of wheat does.

Transport expenses: The cost of getting goods to the store might have an impact on the pricing. The price of shipping may be increased if a product needs to be delivered from a long distance.

Competition: Because supermarkets frequently compete with one another for consumers, some items may be cheaper at one location compared to another.

Demand from customers: The supermarket may be able to charge a higher price for a product if there is significant demand for it.

Sales and discounts: In order to draw consumers or move inventory, supermarkets may offer sales or discounts on particular goods.

#### 3. Place

#### Reasons that support the location:

- 1. **Convenience:** Supermarkets located near residential areas are more convenient for local residents, as they can easily walk or drive to the store to purchase groceries and other household items.
- 2. <u>Increased foot traffic:</u> Supermarkets located near residential areas are more likely to attract a steady stream of customers, as they are easily accessible to a large number of people.
- 3. <u>Higher sales:</u> Supermarkets located near residential areas are more likely to generate higher sales, as they are able to capture the grocery spending of local residents.
- 4. **Community gathering place:** Supermarkets located near residential areas can serve as a community gathering place, where people can meet, socialise, and connect with their neighbours.
- 5. <u>Increased property values:</u> Supermarkets located near residential areas can increase property values in the surrounding area, as they are seen as a desirable amenity for potential homebuyers

#### 4. Promotion

There are several strategies that a supermarket can use to increase sales via promotion:

- 1. **Price promotions:** Offering discounts or special prices on certain items can effectively increase sales and attract customers.
- 2. **Loyalty programs:** A loyalty program can encourage repeat business and customers to spend more to earn rewards.
- 3. **Promotional events:** Hosting special events, such as cooking demonstrations or tastings, can create a sense of excitement and draw customers into the store.
- 4. <u>In-store signage and displays:</u> Using eye-catching displays and signage can help draw attention to specific products and encourage impulse purchases.
- 5. **Social media marketing:** Using social media platforms to promote sales and special offers can reach a wide audience and drive traffic to the store.
- 6. **Email marketing:** Sending newsletters or promotional emails to a list of customers can be an effective way to communicate sales and special offers.
- 7. <u>Collaborating with local businesses:</u> Partnering with local businesses to cross-promote each other's products can help attract new customers to the store

## 5. People

In a supermarket, self-service and sales personnel are in charge of assisting consumers in locating and buying the goods they require. Customers may often purchase products like deli goods, baked goods, and flowers at the store's self-service sections.

Typically, salespeople are in charge of working in the store's other divisions, including the food, health and beauty, and electronics divisions. They help clients by responding to inquiries regarding merchandise, making suggestions, and cashiering purchases.

#### 6. Presentation

Marketing presentation is a way to showcase and explain a marketing plan, strategy, or campaign to a specific audience. It can be used to present new ideas to a team or to pitch a marketing proposal to a potential client. A marketing presentation typically includes an overview of the product or service being marketed, the target audience, the marketing objectives, and the strategies and tactics that will be used to achieve those objectives. It may also include data and research to support the proposed marketing plan, as well as budget and timeline information. The goal of a marketing presentation is to persuade the audience to support and invest in the marketing efforts being proposed.

Marketing presentations are presentations that are used to promote a product, service, or brand to a target audience. Marketing presentations can be used in a variety of settings, including sales meetings, conference presentations, and trade shows.

Marketing presentations should be visually appealing and engaging, and should include persuasive language and compelling arguments to persuade the audience to take a desired action, such as purchasing a product or using a service. Marketing presentations may include a variety of multimedia elements, such as images, videos, and slides, to help illustrate key points and engage the audience.

Marketing presentations should also be well-organised and easy to follow, with a clear structure and logical flow. It is important to anticipate and address any potential questions or concerns that the audience may have, and to be prepared to tailor the presentation to the specific needs and interests of the audience.