

## “Impact of Market Coverage Strategy with reference to Lulu Hypermarket, Muscat”

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**Abstract:** recent competitive scenario it is important to determine the factor affecting marketing strategy. Especially in retail industry there is a tough competition not only from tradition retailers but e-tailors too. It is necessary for every retailer to assess the impact of current market coverage strategy and ways for achieving an effective market coverage strategy implementation. The specific objectives in research is to “identify the variables for effective market coverage strategy”, “assess the impact of the current market coverage strategy by the lulu hypermarket in Oman” and “Suggest the methods for implementing effective elements for market coverage strategy”.

The type is research is both quantitative and qualitative with a mixture of numerical analysis and statistical variables. With questions being distributed as questionnaires to 70 customers and 2 employees with some demographic variables to better segment the market perception based on them. The main focus of our study is on the Muscat region of the sultanate, with convenient sampling being used.

**Key words:** Market coverage strategy, maximum customer coverage, location, product range, social media advertising, brick and mortar, consumer preference, customer loyalty

**Introduction:** Market coverage strategy is one of the most common approach now days for expending your business opportunity and serving larger number of customers. Various corporate houses are focusing on increasing number of product line, product length, width and depth to serve large number of customers and their different need where many organization are focusing on increasing the market share by covering the new untapped market with their existing product range. In both of the cases the objective of the company could be increasing revenue and countering the competitors.

The impact of market coverage strategy in reference with lulu hypermarket Muscat is the research topic. Market coverage strategy is defined by Ashley (2016) as, studying the market place and evaluating it, then choosing how much of the market you should cover with your communication mix of either your product or your business. The marketing coverage strategies are undifferentiated marketing strategy, which gives important to the common need that the consumers share, differentiated marketing strategy, which is specialized for each target market and concentrated marketing strategy, which covers only a specific part of the market. However, choosing the best strategy for the business depends on the business and type of products that it offers. In addition, it is important for the business to take into consideration the environmental factors like economic, cultural, politics, technology, demographics Smith (2018). Furthermore, the determinants of market coverage strategy can be summarized as follows

- Available resources.
- What services/products are being offered by the company?
- Understanding the diverse nature of the customers, as they all have different needs.
- Studying your competitor's market coverage strategy.

These factors can affect their business operations and may have an effect on business operations even if the marketing coverage strategy is suitable for the business ignoring these factors can have a toll on the success of your business. The benefit of choosing the right marketing coverage strategy for your business while taking into consideration the environmental factors benefits the company. As it enlightens the company on who are their customers and what they are looking for (need) which will lead to the increase in sales of the business Bhasin (2022). In this chapter, the researchers cover, Rational of the Study, Statement of the Problem, Aims and Objectives, Research Questions, Scope and Limitation, significance of the Study, and the conclusion.

## Aims and Objectives

- To identify the variables for effective market coverage strategy.
- To assess the impact of current market coverage strategy by Lulu Hypermarket.
- To suggest the methods for implementing effective elements for market coverage strategy

**Literature review:** Retail store location is one of the decisions that must not be taken lightly as it affects the success of the store and that it is a long term investment, therefore, it is a decision that must take carefully in such a way that it satisfies both the customers and the store. According to Akalin, Turhan & Zehir, (2013), it is important for the business owner to carefully evaluate multiple locations then selecting the most desirable one to conduct business in by taking into consideration the following factors, competition, population, demographic characteristics of the customers in that area. Furthermore, Akalin, Turhan & Zehir, (2013), have stated that the dynamic nature of the population must be anticipated, thereby, marketing research must be done to evaluate not only the market aspects like size and competition, but the overall marketing aspects which include product, price, place, promotion research to evaluate the performance of the business and how customers react to each one of them. As all of these factors contribute to the performance of the store in terms of sales, market share, and retail patronage. This shows that the store location is critical and important decision to make while selecting market coverage strategy as it will determine the positive or negative impact of it on customer coverage and success or growth of the business.

According to Zakaria et al (2013), there is a significant relationship between customer's loyalty and the rewards card offered by the retail store. This shows that retail stores with better rewards system or point system have the tendency to attract more customers to the store and create customer loyalty which is defined by Baran, Galka & Strunk, (2008) as the behavior of customers towards a specific product, brand, store in terms of repurchase as they think that brand, store or product is superior than others based on their own perspective which can be loyalty programs or deals, quality products, great customer services, accessibility of the store. This shows not only does customer loyalty has a positive relationship with the retail store rewards program but it also affects the reach of the customers that it attracts and how it affects the market coverage of the store. Therefore, the retail store must implement a rewards program in such a unique way that it makes the customers to want to drive all the way to that store no

matter how far it is from them, as they have better deals or rewards system which will increase the customer coverage of the store and will grow the business.

As stated by Chen, Dwivedi & Kapoor (2008), social media advertising has become the new norm. As many businesses tend to have active presence on the social media, promoting their business. It was previously thought it gained this fame because of its cost effective nature, however, according to Chen, Dwivedi & Kapoor (2008) it the new method of marketing, and referred to it as the marketing of the digital era. The studies of Chen, Dwivedi & Kapoor (2008) show that simply creating a profile on the various social media platforms is not enough to gain customers attention and attract them, the business owner or marketer should build an audience, interact with their target market and use their customers photos that they share on social media expressing their satisfaction as their own testimonies for a job well done and showcasing them in their own profile. Social media marketing or advertising is the use of social media platforms or digital channels to promote for one's business. This shows that social media advertising has in impact on the reach of the business with their customers and interacting with them creating relationship with them and participating in their trends and showing that you understand them, will not only have a positive impact on market coverage strategy but also increases the customer coverage which will lead to business growth.

The final variable is the delivery process, brick and mortar is the best choice in our current dynamic world. Technological advancements have paved the way for customers to want more, expect more from retail stores. They have tasted the revolutionary taste of online stores and how it has made their life easier with just a click of button, this does not necessarily mean that they will forego the regular visits to the store, however, this will give them a choice like they are in control, when they are busy during the week with work, family, or any other obligation they can rely on the retail store in this case Lulu Hypermarket to deliver the items that they need to satisfy their needs without going to the store, and during the holidays they will want a change of pace, a change of scenery and they will go to the store to experience the nostalgic shopping experience with hands on the products and evaluating each item based on their preference rather than the usual looking at photos of the items on the retail store app and adding it to the cart. According to Kim & Park (2005), the attitude of the customers towards the online store front depends entirely on their views and perceptions of the offline retail store. This shows that in order for Lulu Hypermarket to achieve maximum customer coverage and business growth, they are required to develop their online store front allowing both the store fronts online and offline to be the exact same, as such they must not split the offers between online and in store purchase (offline). Lulu Hypermarket must integrate the payment method in the app with their

POS in their store, allowing the customers to further use the application even while they are shopping offline, by this more customers will be familiar with the application and how it will help them ease their shopping experience without the help of salesperson in the store, by allowing the customers to scan the products using the application to know the prices or to check if their on sale or not before going to the cashier. In addition, to Kim & Park (2005) has also stated that the application will help not only the customers in searching for items that they need, but it will also give the retail store intel about the customer's purchase behavior, thereby allowing the store to keep sufficient inventory items of products that are fast moving while keeping the products that are not moving fast to a minimum level. This will help Lulu Hypermarket adapt to the changes in technology and to efficiently predict customer's dynamic nature to increase their market coverage.

### Consumer perception and need

Retailing in consumer goods is most challenging with huge opportunity in the market. Consumers compare various elements before they make final purchase decision. [El-Adly, Mohammed, 2006]. Consumers are moreover price and product sensitive and for both of them there is a single store targeting maximum of their reach. Consumer preference is key motive while finalizing the store location and product range. A retailer always tries to cover the maximum market share and serves largest number of customer's base on their effective store location with ease in accessibility. Selection of store location, in-house and outdoor facilities and product range is key essential for the maximum market coverage.

### Conceptual Framework



Market coverage strategy is affected positively or negatively by various factor including product mix, promotion mix and place mix etc. especially in retail sector market coverage strategy should be designed and implemented with careful observation of the related factor because we are dealing directly with consumer where the consumer is having lost of option to buy their relevant product. Moreover effectively planned market coverage strategy makes customer more trusted and loyal towards the retail organization. Development and promotional function in market coverage should be observed and followed carefully while keeping the customer need in prime focus.

## **Research methodology**

This chapter showcases how the research is conducted. It includes type of study, research design, sampling method used for primary data collection, what type of instrument used for the collection of primary data, the procedure of the research, data gathering and data treatment.

Research methodology is the soul of the research work. Researcher must have to be highly focused on the selection of the research technique. The outcome and validation of the project and the research is purely depended on the techniques of research selections. Here the proper research methodology will helps to collect the correct information from the respondents and to proceeds them in meaningful way with minimum error of research.

The type of research for this study will focus on mixed method using a fair combination of quantitative and qualitative research method. This method involves quantitate standard measurement, statistical variables, mathematical and numerical analysis of data gathered via surveys, questioners or through modifying before statically evidence with computing tools, this kind of method is concerned with collecting numerical data and simplifying it across groups of individuals or explaining a specific phenomenon. The main objective of a quantitative research is to discover the link among one variable which is an independent variable as well as dependent variable in a sample or population. Mixed method is required for our research to achieve the set objective of research because consumer purchase behavior and purchase preference cannot be evaluated and measured without it.

The researchers have chosen the descriptive approach for their research and a sample of people has been gathered and have been distributing the questioner to them. As well as it will improve to know more about lulu hypermarket market coverage and how the factors are related to it, in addition, the influence on maximum client loyalty and total growth of lulu hypermarket. Our research is based in Muscat region and we have taken convenient sampling with critically evaluating the response of the respondent.

The respondents are Lulu Hypermarket employees and their customers. The staff are professional and ready to serve customers no matter how small or big their problem is, they take the initiative to help customers instead of customers who ask for their help. Our observation clarified that most of the clients of Lulu are married females, who shop for their family requirements, and also students which shop to purchase necessities for themselves due to them living in hostiles/apartments away from their families. Our focus is on this specific group of people because of their frequent store visits and this results to them representing a large portion of the customers

### **Research Instrument**

To cover all aspects and gain more accurate results, there was a major variation in the number of individuals chosen to collect the primary data. The data was collected by respondents using a set of questionnaires that was distributed to 2 employees and 70 customers with different demographic variables to insure a more accurate response. In regard to the information available in the questionnaire, it begins with general information about the audience including their age, gender, and their social status because by using that information we can segment the market due to those groups having similar buying patterns and get information of the market coverage options in regard to them. The sample size contains 100 employees to insure getting information from both the customers and the employees in regard to the market coverage prospective, because some information might be observed by the employee due to their direct contact with the target audience. Finally, in regards to the data, there are two types of data, first is the primary data which is the collection of information directly from the customers which will provide us with a direct insight of the target audience point of view. On the other hand secondary data is the collection of already made research data, which is convenient but doesn't provide an in-depth of the issue that is being studied, in regards to our study, firstly the use of secondary data provided as a basic and brief explanation about the customers and employees viewpoint about the market coverage of different retailers similar to Lulu which cleared our research gap and the variables required, and then focus on the primary data collection to provide us with a more precise and a focus on Lulu target audience in specific.

The procedure of the research is done by distributing a questionnaire to the sample selected from Lulu Hypermarket through email. Then filtering the answers to gain knowledge about the problem and how the variables are related to market coverage strategy and their impact on Lulu Hypermarkets overall growth and its maximum customer coverage.

As for the data gathering, the researchers used primary data by looking at new information about the same topic to analyzed it and found the gap in each article. In addition, to gather the primary data by distributing a questionnaire to the employees and customers of Lulu Hypermarket, we ensure to maintain the privacy of our respondent. We are avoiding all unethical activities in collecting the research like conducting fair data collection technique, seeking approval from respondents to use their information given for our research work and we as researcher not harming any social conduct at all.

Using proper software such as Microsoft Excel, the data gathered from the survey participants cannot be thoroughly analyzed after the questionnaires have been distributed. Using Excel software, researchers may more accurately and precisely analyze the data acquire. As an alternative, researchers might utilize Microsoft Excel to present their findings in the form of the table, graph, mean, standard deviation and correlation analysis was done. Further researches are using MS words and MS excel to evaluate the collected information in meaningful terms using graph, chart, table and various symbolic illustration.

**Table 1**

Correlation		Location	Promotion	Customer services	Merchandise
Location	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	75			
Promotion	Pearson Correlation	.447**	1		
	Sig. (2-tailed)	.000			
	N	74	75		
Customer service	Pearson Correlation	.497**	.509**	1	
	Sig. (2-tailed)	.000	.000		
	N	75	75	74	
Merchandise	Pearson Correlation	.773**	.913**	.587**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	75	75	74	74

\*\* . Correlation is significant at the 0.01 level (2-tailed).

(Correlations table)

Relationship between location, promotion and customer service is significant with (r=.447, p <0.001) and (r=.497, p <0.001). Which shows that there is a positive moderate correlation. Further with Location and merchandise is Significance (r=.773, p <0.001). On the other hand, promotion and customer service is also significant with (r=.509, p <0.001), (r=.913, p <0.001). Moreover, the promotion and customer service are also significantly connected to each other.

The results shows the location variable and how it is linked to the market coverage strategy of Lulu Hypermarket. All of the respondents chose number 4 for the entire Likert Scale questions related to the location of Lulu Hypermarket and how it affects that market coverage strategy. The chart indicates that the customers agree that Lulu's location is accessible, the branch in Muscat caters only to customers from Muscat, the layout of the interior allows for the ease for the customers to transition to the point of purchase, and finally lulu hypermarket location is a factor that will determine the maximum customer coverage. The table above represent the percentage of responses from each parameter.

Social media is linked to market coverage strategy. It indicates all of the respondents agree that social media is the new trend of advertising in the modern age, the promotional campaign is useful for the customers, and the customers use social media more than any other media of advertising. However, it also indicates that the respondents have come across Lulu promotional campaign on other platforms too and that the social media advertising is not effective but will lead to maximum customer coverage.

The loyalty of customers and how it is linked to market coverage strategy. All the respondents have agreed that Lulu's reward system is effective, it generates customer loyalty, the customers are stratified with the reward system of Lulu, and finally the loyalty of customers will help Lulu Hypermarket to achieve maximum customer coverage, which indicates the relationship between customer loyalty and market coverage strategy.

The aspect that attracts consumers to businesses is mainly the type of service which is offered, in regards to Lulu Hypermarket, they tend to focus on the market as a whole with product variation from electronic to home ware. From the results it can be concluded that the current market coverage in regards to the demographic variable is an equal number of male and female candidates in our study, which supports the market coverage strategy of lulu is supporting both those genders equally. In regards to the prices, almost of the candidates spend a total amount of more than 40 Rials on their each visit to the lulu which supports that they have a variation of products, because as seen by question 4 in regards to the merchandise question around 42 buy products frequently from lulu and both the previously mentioned question support that the prices of the commodities of lulu are not set high and in fact are well priced due to the repetitive purchasing behavior. Lulu hypermarket is overall successful in its strategic market coverage is most of area, somewhere improvement is required.

In our questionnaire, we also focused on the accessibility and ease of shopping at lulu to better understand the way lulu hypermarket attract its customer from those sides, from the results, it can be understood that the overall average results in the accessibility and ease of 4/5 by the customers, with some customers feeling like that lulu doesn't cater with all their needs and desires, and most importantly they feel like the current locations of lulu can be used to furthermore increase the overall market coverage in regards to the market with its perfect locations. Also, most customers understand the importance of social media. But did not come across lulu hypermarket ads from it, and more than half feel like lulu can benefit from the social media coverage in increasing their market share.

**Findings:** However, lulu's promotional campaign is useful to a large number of its customers, while most the consumers are often using social media platforms more than other media like newspapers or TV. Also, many people are not sure if lulu's current social media advertising is effective and will lead to high customer coverage but on the other hand, a good number are agreed that I will. According to the current reward system of lulu, many are not sure if it's effective for them or not, while the reward program generates loyalty to a lot of customers, but they are not sure if it will increase the customer coverage. While most of the consumers were in between about the reward program of the lulu hypermarket provides consumers discounts and prizes. In addition, a second large number are agreed that consumer loyalty improves lulus rise customer coverage. According to the product range. Lulu hypermarket has a variety of product ranges as most of the consumers are strongly agreed, also this variety helps the consumer to find what they want and alternatives for their products. Having a lot of product ranges and alternatives will lead the consumers to prefer lulu over other retailers. Lulu's hypermarket online store is accessible to many individuals, and they are agreed that the retailer is using brick and mortar. According to online stores and the standers of e-commerce, a huge number are not sure of its effectiveness or not. The second large number of the respondents like shopping the online store. There was an equal number of disagreed and strongly agreed that the application of online and offline stores by lulu allows attaining the high customer coverage while on the other side high number they agreed.

## Recommendations

The retail market is important and what is important in Oman. Here are the following points on how to influence the retail market coverage strategy:

- The company must focus on the attractive social media campaign where lots of opportunity is uncovered
- Lulu Hypermarkets should improve the loyalty and reward program to retain existing customers and attract new customers.
- Lulu hypermarkets should make their online portal more accessible and user friendly so mass accessibility could be achieved
- Lulu hypermarket should make simple and convenient rewards points credit and adjustable with purchase bills
- Companies must first focus to meet the needs of customers visiting store with appropriate merchandise
- The interior design should be modified to allow the customers to easily transfer to the point of purchase.
- Lulu Hypermarket should make some personal contact with customer using database to improve loyalty level using to know their customers which has an impact on the sale of products and the volume
- Company should make more focus on E-tailing like timely delivery, e-catalogue fair exchange policy and product tracking with easy accessible application

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