

8 Expert Insights on How to Establish a Supermarket Business - YourRetailCoach Dubai

Starting a supermarket in MENA countries like UAE, Saudi Arabia, Egypt is tougher since 2020. YRC consulting outlines key fundamentals and improvements needed.

PUNE, MAHARASHTRA, INDIA, June 1, 2024 /EINPresswire.com/ -Establishing a supermarket business in one of the Middle East or MENA countries like UAE, Saudi Arabia, or Egypt has become increasingly challenging in recent times, especially since 2020. In this communiqué, retail and eCommerce consulting firm YRC highlights some of the fundamentals



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and improvisations concerning eight key planning areas involved in establishing a supermarket business.



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Nikhil Agarwal

Market research is one of the foremost activities to be done after brainstorming the business idea and vision. It helps check whether the right market conditions exist or not and in what shape and form they exist for the business to come into existence and run smoothly. Some of the typical areas of investigation and assessment in a market

research are:

- · Current gaps in the market vis-à-vis intended value propositions
- Target segments
- Target market size

- Competition
- Market entry barriers
- Pricing strategies
- Brand distinction/market positioning
- Present and future challenges and opportunities
- Ease of doing business, regulatory norms

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Given the state of hyper-competition among supermarkets in cities like Dubai, Abu Dhabi, Riyadh, Muscat, Doha, Kuwait City, and Cairo, new-age supermarket brands and businesses try to achieve unique market positions by going beyond their core offerings and incorporating non-core elements like online ordering, home delivery, membership benefits, competitive pricing, hyper-localisation, and better servicescape to deliver superior supermarket customer experience. Today, supermarket business models are woven around these outer value-centric propositions for unique brand positioning.

Busy and populated areas have the potential to easily attract customers. However, commercial space in such places comes with heavy price tags. Such places eventually become competitive as well with new players, backed by investors, seeking to extract the business potential of having a supermarket store in such locations.

An ideal approach is to go for average locations and lace them up with hyper-localisation, omnichannel capabilities and dark store expansion. However, this does not take away the need for supermarket location analysis. Good quality supermarket layout planning offers many benefits but one area of impact where it significantly weighs is the delivered quality of in-store and overall customer experience.

Some important grounds to be covered under financial and commercial assessments of supermarket business planning are (evaluations/projections of) initial investments (capital), operational expenditure, demand-revenue forecasting, cash flow, ROI and break-even analysis, projected profit and loss statements, working capital management, and any other accounting variable relevant to the business model and business plan in question.

From inventory management and quality control to store checkout and home-delivery services,

every process and operational activity in supermarkets demands meticulous planning and execution to cover the needs and expectations of customers better than competitors. While IT and automation make supermarket operations more speedy and effective it also complicates the task of operations planning. The technological solutions (hardware or software) must stand aligned with the operational as well as the overall business requirements.

All product-based retail businesses including every big and small supermarket and grocery store have to be meticulous with demand forecasting and operations planning in inventory management. The need here is to develop a robust strategic and operational framework for inventory management for small grocery store, supermarket, or hypermarket. This covers formulating effective strategies, establishing the operational workflows, defining the processes with SOPs, finding the best-fit supermarket stock management system software, analytics tools, and planning inventory purchases.

Today, technological solutions like predictive analytics, ARS (Auto Replenishment System), BPMS, POS systems (supermarket inventory and billing systems), barcode and RFID, scanners, and robotic automation have become common standards in supermarkets for improved speed and accuracy in planning and operations. Customer experience is one of the latest beneficiaries of the use of IT and automation in supermarkets, hypermarkets, departmental stores, and grocery stores. Whether it is digital marketing, website/app UX, self-checkout systems, mobile-based payments like UPI, or any touchpoint in the customer journey, technology serves as the medium (read opportunity) to deliver a superior shopping experience across channels - online, in-store, or omnichannel.

Creating the desired level of appeal to attract customers and generate footfall in a market calls for a more definite and curated approach. That is why major supermarket brands adopt hyperlocalisation to align with and cater to the specific nature of demand and operational conditions of the respective local markets being served. Hyper-localisation helps create a strong resonance with local customers. This resonance helps customers relate to businesses in their localities via the fulfilment of their needs and expectations in terms of products, services, and other value propositions. Hyper-localisation sets the tone for all other efforts to improve this much-needed locality-based brand resonance.

Your Retail Coach (YRC) is a retail and eCommerce consulting firm specialising in <u>developing</u> <u>business solutions for startups</u> and existing brands and businesses. With a scaling international

presence, YRC has served 500+ clients in over 25 verticals with a success ratio of 95%. In supermarket business consulting, YRC offers planning and implementation services and solutions for business setup and expansion projects.

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Dr Rupal K Shah Mind-A-Mend Consultancy Private Limited +91 9860-426-700 consult@mindamend.net Visit us on social media: Facebook X LinkedIn

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