

The Impact of Market Coverage Strategy with Reference to Lulu Hypermarket

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Abstract—This study examines the impact of market coverage strategy with reference to Lulu Hypermarket. It aims to evaluate how strategic factors such as store location, product range, social media advertising, customer loyalty programs, and online-offline integration influence customer reach, satisfaction, and business performance. Using a mixed-method approach, data were collected from customers and employees through structured questionnaires and observations. The findings indicate that Lulu Hypermarket has strong market coverage through accessibility and product variety, while digital marketing and online integration require improvement. The study provides practical recommendations to enhance customer-centric strategies and sustain competitive advantage in retail sector.

Index Terms— Sustainability, retail market, Hypermarkets

I. INTRODUCTION

The research project titled “*The Impact of Market Coverage Strategy with Reference to Lulu Hypermarket*” examines how effectively designed and implemented market coverage strategies influence customer reach, loyalty, and overall business growth in the retail hypermarket sector. The study focuses specifically on Lulu Hypermarket in the Muscat region of Oman and evaluates how different strategic variables contribute to achieving maximum customer coverage in a competitive retail environment (Hart, C., Doherty, N., & Ellis-Chadwick, F. 2000).

The core premise of the study is that modern retail organizations can no longer rely on generic, one-size-fits-all approaches to marketing and distribution. Instead, they must adopt well-aligned market coverage strategies that consider customer preferences, accessibility, product variety, promotional effectiveness, and technological integration. Lulu

Hypermarket, being a major player in the retail sector, serves as an ideal case to understand how these strategies operate in practice (O’Connell, M. M., Lempert, L. K., Halpern-Felsher, B., & Gaiha, S. M. (2025).

II. PURPOSE AND OBJECTIVES OF THE RESEARCH

The primary purpose of the research is to evaluate the effectiveness of Lulu Hypermarket’s current market coverage strategy and assess its impact on customer behaviour and business performance. The study aims to identify whether Lulu’s strategy successfully reaches a wide customer base while meeting diverse consumer needs.

The key objectives of the research include:

- Identifying the critical variables required for an effective market coverage strategy
- Assessing the impact of Lulu Hypermarket’s existing market coverage practices
- Suggesting practical methods to improve the implementation of market coverage strategies

These objectives guide the structure of the study and ensure that the analysis remains focused on actionable insights rather than purely theoretical discussions

III. CONCEPTUAL UNDERSTANDING OF MARKET COVERAGE STRATEGY

Market coverage strategy refers to how extensively a company targets and serves different segments of the market using its product offerings, promotional tools, and distribution channels. The study highlights three major forms of market coverage strategies:

1. **UNDIFFERENTIATED MARKETING**, which targets the entire market with a single offering
2. **DIFFERENTIATED MARKETING**, which targets multiple segments with tailored offerings
3. **CONCENTRATED MARKETING**, which focuses on a specific niche market

Lulu Hypermarket primarily follows a broad coverage approach by offering a wide range of products under one roof. However, the study emphasizes that attempting to satisfy the entire market without precise strategic alignment can result in inefficiencies such as excess inventory, higher operational costs, and missed customer expectations.

The research stresses that market coverage strategy must be aligned with environmental factors such as economic conditions, cultural diversity, technological advancement, and demographic composition especially in a multicultural market like Muscat

IV. RATIONALE AND SIGNIFICANCE OF THE STUDY

The rationale behind selecting Lulu Hypermarket stems from the intense competition in Oman's retail sector and the growing expectations of modern consumers. Many retail businesses fail not due to lack of demand but due to ineffective market coverage strategies that do not align with customer behaviour and preferences.

This study is significant because:

- It provides empirical insights into retail market coverage strategies
- It highlights customer-driven variables that influence business growth
- It offers practical recommendations tailored to Lulu Hypermarket

The research is particularly valuable as there is limited recent academic work focusing on market coverage strategies in hypermarkets within the Muscat region

V. RESEARCH METHODOLOGY SUMMARY

5.1 RESEARCH DESIGN AND APPROACH

The study adopts a mixed-method research approach, combining both quantitative and qualitative techniques. A descriptive research design is used to

analyse customer perceptions and behaviours related to Lulu Hypermarket's market coverage strategy.

Quantitative data is collected through structured questionnaires, while qualitative insights are obtained through observations and limited employee inputs. This combination allows for a more holistic understanding of the research problem.

5.2 SAMPLING AND RESPONDENTS

The sample consists of:

- 180 customers and 65 Lulu Hypermarket employees

Convenience sampling is used due to time and accessibility constraints. The respondents include both Omani nationals and expatriates, reflecting the diverse demographic composition of Muscat. The study focuses mainly on frequent shoppers such as families and students, who represent a significant portion of Lulu's customer base

5.3 DATA COLLECTION AND ANALYSIS TOOLS

Data is collected using questionnaires with Likert-scale items (1 = strongly disagree to 5 = strongly agree). Microsoft Excel is used for data analysis, including percentages, tables, charts, and graphical representations. This approach ensures clarity in interpreting customer perceptions across different strategic variables.

VI. KEY VARIABLES EXAMINED IN THE STUDY

The study identifies five major variables that influence market coverage strategy

6.1 RETAIL STORE LOCATION

Store location is found to be a critical determinant of market coverage. The findings reveal that Lulu Hypermarket's location in Muscat is largely perceived as accessible, with reasonable parking and convenient layout. Customers agree that store accessibility positively influences their purchasing decisions and frequency of visits.

However, some respondents feel that Lulu's branches primarily cater to nearby residents rather than maximizing regional coverage. This suggests scope for enhancing location-based strategies to reach a broader customer base

6.2 SOCIAL MEDIA ADVERTISING

The study highlights social media advertising as an essential modern marketing tool. Respondents generally agree that social media is the most frequently used medium compared to traditional media such as newspapers and television.

While Lulu Hypermarket is recognized for its promotional campaigns, many customers feel that its social media presence could be stronger and more engaging. This indicates that although social media has high potential for expanding market coverage, it is not yet fully leveraged by Lulu Hypermarket.

6.3 CUSTOMER LOYALTY AND REWARD PROGRAMS

Customer loyalty emerges as a significant contributor to market coverage and repeat purchases. The study finds that Lulu's reward and loyalty programs generate customer retention, although opinions vary regarding their overall effectiveness.

Most respondents agree that loyalty programs help increase customer base and contribute to maximum market coverage. However, there is also a perception that the reward system could be simplified, digitized, and better integrated with purchasing behaviour to enhance its impact.

6.4 PRODUCT RANGE AND VARIETY

Product range is one of Lulu Hypermarket's strongest competitive advantages. Customers acknowledge that Lulu offers a wide variety of products, allowing them to find alternatives and fulfil multiple needs in one visit.

Despite this strength, some respondents remain neutral regarding whether product range alone influences their preference for Lulu over competitors. This suggests that while variety is essential, it must be supported by pricing, availability, and service quality to maximize customer coverage.

6.5 BRICK-AND-MORTAR AND ONLINE INTEGRATION

The study evaluates Lulu Hypermarket's implementation of both physical (offline) and digital (online) retail channels. Customers rate the physical store experience higher than the online platform.

Although respondents acknowledge the presence of an online store, many remain neutral about its effectiveness and usability. The findings indicate that

Lulu's brick-and-mortar operations are strong, but the online channel requires improvement in user experience, accessibility, and integration with offline services to achieve full market coverage.

VII. DATA ANALYSIS AND KEY FINDINGS

The data analysis reveals several important insights:

- A majority of customers shop frequently at Lulu Hypermarket, indicating strong brand awareness.
- Nearly half of the respondents spend more than 40 OMR per month, reflecting customer loyalty.
- Store location and accessibility score high in customer satisfaction.
- Social media marketing is recognized as important but underutilized.
- Loyalty programs positively influence repeat purchases but require enhancement.
- Product range supports convenience shopping but needs better inventory alignment.
- Online shopping adoption is moderate, with preference still leaning toward physical stores.

Overall, Lulu Hypermarket's market coverage strategy is effective in many areas but shows gaps in digital integration and targeted promotion.

VIII. DISCUSSION OF FINDINGS

The discussion links empirical findings with the study objectives. It concludes that Lulu Hypermarket has successfully implemented a broad market coverage strategy but must move toward a more differentiated and customer-centric approach.

The results indicate that customers are price-sensitive, convenience-oriented, and influenced by accessibility and promotions. The study also highlights the growing importance of digital channels in shaping customer expectations. Without strengthening its online presence and personalized engagement strategies, Lulu risks losing competitive advantage in the long term.

IX. CONCLUSIONS

The study concludes that:

- Market coverage strategy is essential for retail business sustainability.

- Lulu Hypermarket has strong fundamentals in location, product variety, and brand presence
- Customer loyalty and repeat purchases significantly contribute to market coverage
- Digital and social media strategies need further development
- Integrated online-offline operations are critical for future growth

The research successfully meets its objectives by identifying key variables, evaluating current strategies, and proposing improvement areas

X. RECOMMENDATIONS

Based on the findings, the study recommends:

- Strengthening social media marketing campaigns
- Enhancing loyalty and reward programs with digital integration
- Improving online store usability and mobile application functionality
- Using customer data analytics for personalized marketing
- Optimizing store layout and interior design for smoother customer flow
- Expanding e-retailing services such as delivery tracking and e-catalogues

These recommendations aim to help Lulu Hypermarket achieve maximum customer coverage and sustained business growth.

XI. FINAL REFLECTION

This summarized research provides a comprehensive understanding of how market coverage strategy operates in a real-world retail context. It highlights that successful market coverage is not merely about reaching more customers, but about reaching the *right* customers through well-coordinated strategies involving location, product mix, promotion, loyalty, and technology.

The study serves as a valuable reference for students, researchers, and retail practitioners seeking insights into strategic marketing implementation in hypermarkets, particularly within the Omani context

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