


Hypermarkets: Wet markets suffer

Written by 3K Admin

Wednesday, 03 March 2010 23:11 - Last Updated Wednesday, 03 March 2010 23:15

 2010/03/03

SHARALA DEVI THYAKARAN, Consumer Research and Resource Centre, Kuala Lumpur

THE number of supermarkets and hyper-markets in Malaysia has grown tremendously since the 1980s. The big players include Tesco, Giant, Jaya Jusco, Parkson and Carrefour. The escalating cost of living and the need to stretch the ringgit has increased the demand for lower-priced consumer goods retailed at hypermarkets.

Synovate Malaysia managing director Steve Murphy says it is fairly clear that Malaysians have changed their shopping habits and prefer to shop at supermarkets and hypermarkets. High- and middle-income households spend most of their money at hypermarkets, followed by supermarkets and traditional grocery shops. Rural people, however, continue to purchase from traditional grocers, convenience stores and mini-marts.

While consumers may gain through lower prices, the wet markets will lose out.

The major reason for this is economies of scale: hypermarkets purchase goods in bulk which translates into lower costs and a lower price. On the other hand, wet markets do not order in bulk. Also, the rise in transport costs can affect small traders more than hypermarkets.

Most people feel uneasy about haggling over prices. Some are worried about being shortchanged or cheated by unscrupulous traders. At hypermarkets, prices and weights of the products are clearly stated.

Hypermarkets have become a dominant retailer, with the power to dictate prices to farmers.

Wet markets are being forced into extinction by the entry of these giant retailers. Consumers will have to decide whether, in the long run, this is an advantage or not.

Source: http://www.nstp.com.my/Current_News/NST/articles/19hyp/Article/index_html