

MARKETING TO THE BOTTOM OF PYRAMID – CONSUMER BEHAVIOR AT FLEA MARKET

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Abstract - This is a conceptual paper about consumer behavior at flea market. Combination of factors such as low prices, deals and bargains, unique places and one stop center for community interactions are the significant implications to the customers of flea market. The bottom of the pyramid customers will find that the flea markets are always affordable, easy to access and available. Nowadays, the sellers at flea market can use the internet as a powerful source of information and one of the sales channel to promote their stuff.

Keywords: Flea Market, Buyer Behavior, Products, Social Aspects, Buyer Profile, Malaysia Flea Market

1. Introduction of Flea Market

The flea market is usually considered an archaic place, remnant of old trading and social angoras. It is similar to the oldest form of commerce and with the current farmers market and, as numerous authors show, it not only serves the lower class and income shoppers, but also the white collar and professional occupations. It serves a variety of functions for the several types of participants in swap meet activities. It also represents an opportunity for the underground economy and stolen goods commerce, and for lateral cycling of used goods. Research notes that the experience of buying at a flea market is also important, such as the excitement of looking for interesting objects, the ‘treasure hunt’, search for bargains, the possibility of negotiating, and even the socializing, interaction, fun experience otherwise not offered in a regular mall. The most frequent, heavy shoppers at a flea market consider the location an enjoyable place to shop, with a varied offer of products, while the less frequent, ‘light’ shoppers rather had product and ethical reservations about flea markets. Moreover, a significant observation, especially in the current economic conditions, is the fact that some researchers consider the flea markets as an alternative shopping place when the lower and middle class purchasing power is declining, which opens them for consumers at the lower end of the economic spectrum. Other studies summarize that the consumers consider the flea market as an opportunity to find lower prices, variety of products, social benefits, bargains and shopping excitement (Maria Petrescu & Dhruv Bahtli, 2013).

Multitudes of Flea markets exist around the world, however, few studies in consumer research have explored this phenomenon. “Academic research into flea markets has yielded a rather small and circumscribed literature of discontinuous quality”, states Sherry (1990). While it has usually been regarded as a second-order marketing system (Sherry, 1990), the flea market represents an interesting economic phenomenon to be studied from the marketing point of view Sherry, 1990;, especially considering the economic changes due to recession. As an informal and formal

marketplace and economy (Sherry, 1990), marketing authors suggested that flea markets usually cater to lower class or low income shoppers, but not exclusively (Belk et al., 1988; Sherman et al., 1985; Sherry, 1990; Yavas and Riecken, 1981). They provide not only a place for low cost goods, new or used, but also a shopping experience and a cultural immersion for their customers, as well as an opportunity to develop the ritual dimension of consumption (Belk et al., 1988; Maisel, 1974; Rook, 1985; Sherry, 1990). Research notes that the experience of buying at a flea market is also important, such as the excitement of looking for interesting objects, the “treasure hunt”, and search for bargains, the possibility of negotiating, and even the socializing, interaction, fun experience otherwise not offered in a regular mall (Maisel 1974; Belk et al., 1988; Sherman et al., 1985). As Sherman et al. (1985) writes, the most frequent, heavy shoppers at a flea market consider the location an enjoyable place to shop, with a varied offer of products, while the less frequent, “light” shoppers rather had product and ethical reservations about flea markets. Moreover, a significant observation, especially in the current economic conditions, is the fact that some researchers consider the flea markets as an alternative shopping place when the lower and middle class purchasing power is declining (Sherman et al., 1985), which opens them for consumers at the lower end of the economic spectrum. Other studies summarize that the consumers consider the flea market as an opportunity to find lower prices, variety of products, social benefits, bargains and shopping excitement.

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2. The Flea Market Buyers Behavior

A survey of the popular press indicates that most writers believe that everybody attends these events--that there are no demographic differences (Bethany 1991; Breslin 1991, King 1989; Matzer 1994). This seems tenable given the wide variety of merchandise available at flea markets--older merchandise, i.e. the collectibles, may appeal to older consumers, and new merchandise to younger consumers. Some writers indicate that women are more likely to attend flea markets, but then that is also true of other forms of retailing.

So, why do people go to flea markets? One obvious motivation is bargain hunting (Breslin 1991). For younger consumers on limited budgets, these may be good places to look for bargains in household goods, toys, children's clothes and cosmetics. And some older consumers are interested in bargains as well—since "everyone loves a bargain". Given the heavy use of the term "collectibles" by flea market vendors, it would also seem that many shoppers have collections for which they are searching for the right "collectible" (Campbell 1995).

3. Products

Key aspects that the consumers evaluate related to products, a few key codes emerged: low prices, product assortment, deals and bargains. People like flea market products because they are available at low prices. However, bargains and deals refer not only to the low prices of merchandise, but also to the possibility of finding little ‘treasures’, used objects that are sold at a much lower price than their real value.

Another key aspect related to products is the product assortment. While aspects that negatively reflect on the flea market are still present, such as counterfeit products and lower quality, the consumers have found ways of dealing with it, such as buying products that are not usually the target of counterfeiters, or whose quality does not have a significant impact on use (Maria Petrescu & Dhruv Bahtli, 2013).

4. Social Aspects

Consumers go with friends and look around for different deals while they have fun, people go to flea market for cultural diversity, they hang out with people with similar background or interest, and they interact with the sellers through negotiations. The possibility of negotiating the price is a key selling point for flea markets. It represents not only a way to buy a product at a lower price, but also makes the customers’ happy thinking that they got a good deal (Maria Petrescu & Dhruv Bahtli, 2013).

Reading the popular literature about flea markets suggests that another major motivator is entertainment--going to flea markets is fun (Breslin 1991). One can spend hours browsing through all sorts of interesting merchandise and learn about our past. Given the strange items one sometimes finds at flea markets, curiosity may be a stimulus for going to a flea market (Breslin 1991). Another motivation derived from the literature and from personally attending several flea and closely associated with the fun motivation is a social aspect (Breslin 1991).

5. Buyers’ Profile

Flea market as a shopping place for people with different incomes, while, on an average, people with medium income were the most mentioned throughout conversations.

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6. Malaysia Flea Market

Nowadays, hyper markets with mega size buildings are becoming trend at each state in every districts. They come with modern and very extensive spaces, wide car parks and all-in-one buildings like food court, playground, boutique, pharmacy, cinema and others. However, flea markets are still winning people's heart. Malaysia is popular with the flea markets. We can find flea markets at every district and sometimes the district has a number of flea markets depending on the density of the residential area. Every flea market will have one organizer that is usually the residential association and being approved by the municipal council.

There are some similarities in the concept of the flea markets, the night markets and car boot sales. Various goods can be found at the flea markets such as household goods, clothes, accessories, food, drinks, old furniture, toys, craft, jewelry, postcards, records and etc. These antique goods make the flea market even more unique place to go to. With various goods at lower prices, flea markets come as the attractive shopping places for consumer with lower income. Some of the popular flea markets in Malaysia are Jonker Street in Melaka, Loken Market in Ipoh, Lorong Kulit in Penang, Pasar Warisan in Seremban, and Petaling Street in KL.

Car boot sale is relatively new in our country. But it is becoming a popular business approach. Malaysian are used to open air markets and we call them night markets or night bazaars where traders and dealers do their businesses in the open street. No premises are needed, just a stall and a big tent. The night markets usually start in the evening until 10 pm at night and sometimes extend their hours to midnight.

When the city council introduces car boot sale, the locals can easily adapt to it. The car boot sale programme helps the community to obtain additional income with little capital without any stalls or tents. The programme also encourages interaction among the community and the opportunity to meet each other. With proceeds from the sales of used goods, even though it is not much, it helps meeting their daily needs with lower prices. Car boot sale also acts as a platform for the community to sell their unused goods from their house at reasonable prices. This will prevent waste and may help other consumers to buy it at a lower price that meets the requirement of the bottom of pyramid group.

7. Flea Market in Commercial Complex

There was a time when the flea markets within a commercial complex were foreign in Malaysia's shopping scene. The concept of informal gathering of people coming together to buy, sell, and trade used or old goods under one roof was completely foreign. It all had changed in 1998 when Amcorp Mall set out to create an indoor antiques market inspired by one of the most iconic antiques market in the world — the Portobello Road market in the United Kingdom. Amcorp's infant flea market started slowly, with just a handful of pioneering antique enthusiasts displaying their prized possessions in the mall's lower ground level.

This flea market is a treasure trove for antique bargain hunters. Amcorp Mall hosts the Best Flea Market in Malaysia. In here, the customers get to browse through the best from antiques, records, collectibles, homemade food, old and new toys, pictures and photographs, stamps, old weapons

as well as other collectibles. The flea market was held on Saturdays and Sundays from 10:00am to 6:00pm at Amcorp Mall, 18 Jalan Persiaran Barat.

8. Recommendation for New Flea Market Capabilities

Nowadays, marketers can use the internet as a powerful source of information and one of the best sales channel. The internet augments marketers' geographical reach to inform customers and promote products worldwide. The bottom of pyramid consumer group nowadays also know to shop online.

For example the flea market that already implemented this approach is the owner of flea market Sammy Stephens' in the year 2006 at Montgomery, Albama. This flea market gained popularity in United States when the owner used rap-style advertisement spread virally through the internet. The cost for the advertisement was just for \$1,500 and it had been viewed more than 100,000 times in YouTube and landed Stephens on *The Ellen DeGeneres Show*. Stephens now sells T-shirts, ringtones and other branded merchandise through his Website; advises retailers about advertising, and hosts hundreds of visitors from all over the world at his store each month

9. Conclusion

Low prices and the possibility of finding deals and bargains are the key selling point for flea markets. However, the deals and bargains apply not only to the desire and necessity to buy cheaper products, but also to the rush that some consumers feel when finding used and old 'treasures'. This has made flea markets to be more unique. People and cultural diversity represent a significant part of flea markets' advantages, provide the human needs of social interaction and become one of the important significant elements for the potential customers.

Flea markets in Malaysia have a potential to become more significant recently and help the community to obtain additional income. Interactions among the community will also be active and the opportunity to meet each other either they are from high, middle or lower income is higher.

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