

Retailers - You Must Act Now

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ABSTRACT

This study aims to give a clear idea about consumer changing their buying pattern and the heat which neighborhood shops & Physical stores are feeling because of E-commerce or E shops. There are some cues and drivers which are driving consumers from Physical Stores to E-shops. Retailer should act to make their existing customers loyal so that they do not move to the E-stores.

Now a days customers are dramatically altering their purchasing decision even Physical Outlets landscapes looks very different from earlier. Customers coming to the stores, see the products, using their smart phones to see review, compare price, taking suggestions from friends and family quickly via social apps then customers decide either to buy from physical outlet or E-shops like Amazon, Flipkart, Snapdeal and some more ..

In retail *price, style, packaging, advertising, store display, educating customers* these all serves as cues which helps consumer to fulfill their needs as well as it also helps in buying decisions.

Physical stores & E shops, these business formats having its own benefits and limitations. But ultimate objective of every business format is to serve their customers as per customer's convenience. With every business format there is some limitations which compels customers to shift from one format to another.

Customers quickly move to that business format which is more convenient to them. Convenient in picking products, in payment, in problem solving or we can say at every business process.

I. INTRODUCTION

Retailing

“Retailing is a set of activities that adds value to the

product & services sold to consumer for their personal use or their family use. It includes every sale of goods and services to the final consumers.”

Manufacturing -- Whole seller -- Retailer -- Customer

Retailing is not only selling products or Services in stores even other sources are also there like Internet, E-banking, Home Delivery etc..

Retail Industry in the largest industry in the India and its generate 8% of employment.

The contribution towards GDP is around 10% which is quite high. Organized Retail industry in India growing day by day even in more organized way. The reason behind growth is the income level of people in urban & suburban area that is why demand of product has been increasing day by day .

Physical Outlets

Now a days retail stores are organized and designed and helping customers in the entire purchasing process. Cue's like supporting staff, product placement, merchandise, service, physical evidence & convenience which are enhancing customer's retail experience.

1. Wide variety and Deep assortment (Product Placement)
2. Engaging with Customers
3. Time & Energy
4. Consumer Experience

Now we will discuss one by one.

1- Product Placement

While Picking a product customer see how the products are being kept on shelf. Wide variety deep assortment helps customer in making choice among products.

- Well running products are kept on eye level of customers or not?
- Are the products classified in sections like food & Beverages, Cosmetics, Jewellery cloths etc.

2 -Engaging with Customers

Store Staff plays a very important role in over all shopping experience .Well trained and motivated staff convince customers easily . Good personality, positive attitude, cooperating behaviour, skills of Staff deliver superior service to consumers. The role of floor staff is not only to deliver products to customer but also motivate & educate them.

3-Time & Energy

Four dimensions of retail conveniences are access, search, possession & transaction. According to Berry, Seiders & Grewal (2002) conceptualized as a multidimensional construct consisting of Decision, Access, transaction, benefit and post purchase benefits. When a Retailers Comes to a store, the moment he enters to a Physical store he or she spends some time like from Entry to exit. It's a Marketer's duty to create a pleasant shopping experience for every consumers. At every level a retailer has to make his or her satisfy then only overall shopping experience would be considered as Satisfactory. So its retailer's responsibility to support their customer to use their time and effort in a right way so that decision making could be easy for customers.

4- Shopping Experience

A retail experiences comprises total experience which includes search, purchase, consumption & after sales. It could be divided into three steps Pre-sales, During Sales, after sales. A retailer has to create a good shopping experience at every level. In pre sales experience customer goes for search activity in that activity customer look up for product price, reviews, alternatives offers. Based on which a customer goes for final sales. During sales phase a customer makes a decision to buy the product. This phase starts when a customer pick the product and ends when billing is done. Billing is the most crucial part. At this phase most of the customers feel unsatisfied because of time consuming process due to waiting time in a long queue. Retailing is a set of business activity that adds value to the products & services sold to consumers for their personal use or family use . It also involves sales of services, a doctor's diagnose, a hair cut, over night lodging in a motel.

Retail is the sale of goods and services from individuals or businesses to the end-user. Retailers are part of an integrated system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through a wholesale, and then

sells smaller quantities to the consumer for a profit. Retailing can be done in either fixed locations like stores or markets, door-to-door or by delivery.

- The sale of commodities in small quantities or parcels; -- opposed to wholesale; sometimes, the sale of commodities at second hand.
- Done at retail; engaged in retailing commodities; as a retail trade; a retail grocer.
- To sell in small quantities, as by the single yard, pound, gallon, etc.; to sell directly to the consumer; as, to retail cloth or groceries.
- To sell at second hand.
- To distribute in small portions or at second hand; to tell again or to many (what has been told or done); to report; as, to retail slander Some definitions of Retailing given by authors.

V.P.Buell says, "A retail intermediary is a business unit that sells to the consumers" .

Philip Koler says, " A retailer or retail store is any business whose sales com primarily from retailing.

F.E.Clark & C.P.Clark says, "Retailing includes all forms of selling to ultimate consumers"

Cundiff and Still says, "Retailing consists of those activities involved in selling directly to ultimate consumers.

Shari Waters says, "The sale of goods or commodities in small quantities directly to the consumers".

But now a days Retail store has got to be much more than a place to acquire merchandise. If a retailers just fulfilling need of their customers while offering them the products and services, then he or she can not survive for a longer period of time. It's got to help people enrich their lives. If the store just fulfills a specific product need, it's not creating new types of value for the consumer. It's transacting. Any website can do that. But if a store can help shoppers find outfits that make them feel better about themselves, for instance, or introduce them to a new device that can change the way they communicate, the store is adding value beyond simply providing merchandise. The stores that can do that will take the lead.

E-Commerce-

Business Dictionary.com defined E-commerce as follows: "Business conducted through the use of computers, telephones, fax machines, Bar code readers, credit cards, automated teller machines (ATM) or other electronic appliances (whether or not using the internet)

without the exchange of paper-based documents. It includes activities such as procurement, order entry, transaction processing, payment, authentication and non-repudiation, inventory control, order fulfillment, and customer support.”

Another definition by Kristie Lorettein, author for the “The Definition of e-Commerce and E-business” article is as follows:

“E-commerce is the buying and selling of goods and services on the Internet or other computer network.”

Kristie also defined E-business in the same article. According to Kristie, E-business carries the following definition:

“E-business refers exclusively to Internet businesses, but it may also refer to any business that uses Internet technology to improve productivity and profitably”

IS E-COMMERCE THE SAME AS E-BUSINESS?

While some use e-commerce and e-business interchangeably, they are distinct concepts.

In e-commerce, information and communications technology (ICT) is used in inter-business or inter-organizational transactions (transactions between and among firms/organizations) and in business-to-consumer transactions (transactions between firms/organizations and individuals).

In e-business, on the other hand, ICT is used to enhance one’s business. It includes any process that a business organization (either a for-profit, governmental or non-profit entity) conducts over a computer-mediated network. A more comprehensive definition of e-business is: “*The transformation of an organization’s processes to deliver additional customer value through the application of technologies, philosophies and computing paradigm of the new economy.*”

II. E-TAILING

E-tailing (or electronic retailing) is the selling of retail goods on the Internet. It is the most common form of business-to-consumer (B2C) transaction.

Relationship between E-business, E-commerce & E-tailing:

E-business, E-commerce & E-tailing are used frequently sometimes interchangeably also. There is a big difference among these three but they are connected too.

E-business & E-commerce are being used in business term where as Internet retailing is known as

E-tailing. E-tailing is not even used widely sometimes it is being used as E-commerce also. E-Tailing comes under E-commerce where as E-commerce comes under E-business. Thus we find E-commerce and E-tailing comes under E-business which is a broad term.

E-Tailing also known as Internet Retailing. This E-tailing format is running rabbit now a days . Easy ordering, one day delivery, 24*7 remain open, highly qualified and more trend technical staff driving consumers to access this business format.

Chris, the director of Product Development at Rocket Software defines E-tailing as “selling of goods or services over the Internet primarily to consumers, Business-to-business (B2B) commerce or financial transactions would not be considered as E-tailing.”

Chris also defined about E-commerce as “covering the whole gamut of online commerce, including B2B, wholesale, retail, services and even some financial transactions”

“Commercial transaction in which a buyer intends to consume or purchase the goods or services for personal or family use, It called E-commerce”.

Now a day’s E-Commerce & E-tailing has become a big challenge for Physical outlet because of its unique POD’s.

Taken into consideration of E-tailing’, E-commerce & E-Business we find that E-tailing is a subset of E-commerce and E-commerce is a subset of E-business (consisting E-tailing)

III. ALTERATION IN CONSUMER BUYING PATTERN

Consumer behaviour is a complex, dynamic, multidimensional process, and all marketing decisions are based on assumptions about consumer behavior. Before purchasing a product or service hat all factors a customers keep in mind. Some factors are incurred cost in transportation in buying, status, comfort, price, money, time and the most important convenience.

There are 7 stages of consumer buying process:

1. Problem Recognition
2. Information Search
3. Alternatives
4. Evaluation of Alternatives
5. Purchase Decision
6. Purchasing

7. Post Purchase decision

But the question is DO all consumers go through the 7 stages process before buying ??

The answer is “no”. Determined by the degree of complexity customers go through buying process.

Recently we find a very big change in consumer buying pattern Now a days customers are dramatically altering their purchasing decision even Physical Outlets landscapes looks very different from earlier . Customers coming to the stores, see the products, using their smart phones to see review , compare price, taking suggestions from friends and family quickly via social apps then customers decide either to buy from physical outlet or E-shops like Flipkart, Snapdeal or some more.

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If we go back in 90's . We must remember that in most families head of the family used to go the neighborhood shop to buy necessities for family use once in a month.

The whole stock they use to buy in the starting month after getting salary. Those customers were not having choices because at that time there was not stiff competition. Only few sellers were there. Sense of attachments or belongingness, reliability, emotional & sentimental bonding was the cue's which drive customer to that particular outlet.

If we look at today's scenario we find, Time & money which is the most influential keys no a days because A man works 10 to 6 in office. After reaching home he has to shoulder responsibilities being as dad and being as Husband. So instead of buying necessities from neighborhood shops he goes to malls where whole family could be engaged to fulfill their needs. All needs are fulfilled within a short time under one roof. Convenience is the main factor which driving consumers to malls from neighborhood shops.

IV. NO OF CUE'S DRIVING CONSUMERS FROM PHYSICAL OUTLET TO E-TAILING

- Open market or Limitless Geographical location
- Remains opens all the time

- Enables deals, bargains, coupons & group buying
- Locating Product quickly due to search option
- Saving money & effort in Purchasing a product or services
- Provide comparison shopping better
- Provide full information of product & services on a single click
- Small Screen revolution & internet banking made this shopping easy and convenient
- Technology in every pockets
- Easy return policy

It is true that still most of us are not very much comfortable in buying products or services online. But speed of change will drive us to the E-shops very soon. Speed of change drove us from Neighborhood shops to organized Stores like Big Bazaar & V-Mart etc after knowing that, In malls we do temptation buying more and necessities we used to buy from neighborhood shops. But a large no of customers moved to Organized stores from neighborhood shops .

Convenience this is what customers are looking no a days. Now customers do not like standing in a queue . He uses BMS (Book My Show), Free recharge. in, online Banking through apps. Aparna Shasidharan , HP employee says - After working 10 hours in office when i reach home , I don't feel like going out again to buy stuff. I simply order on line and i get my stuff delivered within 24 hours. It also saves my money and time. Extra expenses and time requires if we visit malls to fulfill our need.

And now customers are not having time to access malls everyday. Small Screen revolution brought a very big change in buying pattern. Ease of search products, review and price, comparative offers, easy mode of payment, home delivery are the cue's which driving consumers from Physical outlet to E-shops.

V. RETAINING THEIR EXISTING CUSTOMERS AND ATTRACTING NEW CUSTOMERS BY VALUE ADDITION AT EVERY PROCESS OF BUSINESS BY RETAILER

Retailers: Act before its too late

- A physical store has to be more than a place to acquire merchandise.
- A retailer should help people to enrich their lives
- Retailer should create value to the customer rather than being only transacting.
- A retail should follow “Try before you buy “concept. Consumer can test drive any product before making a purchase
- Availability of skilled staff to educate customer regarding product & service
- When a customer buys a product set it up asap before customer think of something else
- If customer need personal assistant or help. Welcome them and provide personal training
- Fix the problem quickly before customer mindset start being negative regarding product or service
- Create sentimental & emotional bonding with consumers . It creates Customer loyalty.
- Create a sense of belonging while paying attention to each and every consumer. It helps in influencing customers and reliability
- A retailer should make merchandise more visible using proper lighting because ”out of sight gets out of mind “
- Greet customers properly instead of throwing plastic smile.

VI. FINDINGS AND CONCLUSION

As we see both business format having limitations and benefits too. A retailer should formulate an strategy while taking E-business weakness into consideration and taking advantage of it while filling the gap through value addition at every business process.

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