

ETAILED MANAGEMENT THE PRESENT AND THE FUTURE

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I. INTRODUCTION

Retailing consists of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power.

Shops may be on residential streets, shopping streets with few or no houses or in a shopping mall. Shopping streets may be for pedestrians only. Sometimes a shopping street has a partial or full roof to protect customers from precipitation. Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing.

Shopping generally refers to the act of buying products. Sometimes this is done to obtain necessities such as food and clothing; sometimes it is done as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing and does not always result in a purchase.

The pricing technique used by most retailers is cost-plus pricing. This involves adding a markup amount (or percentage) to the retailer's cost. Another common technique is suggested retail pricing. This simply involves charging the amount suggested by the manufacturer and usually printed on the product by the manufacturer.

In Western countries, retail prices are often called psychological prices or odd prices. Often prices are fixed and displayed on signs or labels. Alternatively, when prices are not clearly displayed, there can be price discrimination, where the sale price is dependent upon who the customer is. For example, a customer may have to pay more if the

seller determines that he or she is willing and/or able to. Another example would be the practice of discounting for youths or students.



Fig 1.0 A drawn picture of a self service shop

Some shops sell second-hand goods. In the case of a nonprofit shop, the public donates goods to the shop to be sold. In give-away shops goods can be taken for free.

Another form is the pawnshop, in which goods are sold that were used as collateral for loans. There are also "consignment" shops, which are where a person can place an item in a store and if it sells, the person gives the shop owner a percentage of the sale price. The advantage of selling an item this way is that the established shop gives the item exposure to more potential buyers.

The Retail Sales report is published every month. It's a measure of the consumer spending, an important indicator of the US GDP. Retail firms provide data on dollar value of their retail sales and inventories. 12000 firms in the final survey and 5000 in the advanced one. The advanced estimated data is based on a sub sample from the US CB complete retail & food services sample.

It's been published by the US Census Bureau since 1951.

Chain stores are retail outlets that share a brand and central management, and usually have standardized business methods and practices. These characteristics also apply to chain restaurants and some service-oriented chain businesses.

The displacement of independent businesses by chains has generated controversy in many countries, and has sparked increased collaboration among independent businesses and communities to prevent chain proliferation. Such efforts occur within national trade groups such as the American Booksellers Association,^[1] as well as community-based economics and independent ownership.

In 2004, the world's largest retail chain, Wal-Mart, became the world's largest corporation based on gross sales. The first chain store was British-owned W H Smith. Founded in London in 1792 by Henry Walton Smith and his wife, the store sells books, stationery, magazines, newspapers, and entertainment products.

In the U.S., chain stores began with the founding of The Great Atlantic & Pacific Tea Company (A&P) in 1859. By the early 1920s, the U.S. boasted three national chains: A&P, Woolworth's, and United Cigar Stores. By the 1930s, chain stores had come of age, and stopped increasing their total market share. Court decisions against the chains' price-cutting appeared as early as 1906, and laws against chain stores began in the 1920s, along with legal countermeasures by chain-store groups.

E-tailer

An e-tailer is a retailer that primarily uses the Internet as a medium for customers to shop for the goods or services provided.

Two distinct categories of e-tailers are pure plays and bricks and clicks. A pure play e-tailer uses the Internet as its primary means of retailing. Examples of pure play e-tailers are Dell and Amazon.com. A brick and click e-tailer uses the Internet to push its goods or service but also has the traditional physical storefront available to customers. Combining this new type of retail and the old of a general store is a new type of store which is part of the green economics movement, promoting ethical consumerism.

Advantages of e-tailing

E-tailers who take part in pure play-type business have the opportunity to turn higher profit margins, due in part to the fact that many of the overhead expenses associated with a physical retail space, such as labour, retail space, and inventory, can be significantly alleviated. Pure play allows for a retailer to be able to reach customers world wide, while still only maintaining one location for each and every customer to visit, 24 hours a day, 7 days a week.

Disadvantages of e-tailing

Many studies have shown that e-tailers are failing to meet the needs of online customers and that they generally only have one chance to make a good impression if they want their customers to return. It is said that the three most important things that e-tailers today must work on to ensure profitability are "search, support and promotion.

E-tail legislation

E-tailers must also abide by many rules, regulations, and legislation set up by organizations such as the Federal Trade Commission and the Electronic Retailing Association. These organizations in the United States, as well as similar ones around the world, ensure that e-tailers remain ethical in their practices and do not misrepresent products online, among many other things.

Customer support

For customers, e-tailers can be a fast and convenient way to shop, but problems can sometimes occur. Examples of possible problems include lost shipments, errors in shipments, overbilled customers, faulty products, and credit card fraud. There are many organizations designed to protect the customer and his/her rights, and examples are the Better Business Bureau and TRUST.

Retailing, one of the largest sectors in the global economy, is going through a transition phase not only in India but the world over. For a long time, the corner grocery store was the only choice available to the consumer, especially in the urban areas. This is slowly giving way to international formats of retailing. The traditional food and grocery segment has seen the emergence of supermarkets/grocery chains (Food World, Nilgiris, Apna Bazaar), convenience stores (Convenio, HP Speed mart) and fast-food chains.

RETAILING SCENARIO-GLOBALVIEW:

Table-1: Top 10 Retailers World Wide

Rank	Retailer	Home Country
1	Wal-Mart Store, Inc.	USA
2	Carrefour Group	France
3	The Home Depot, Inc.	USA
4	The Kroger Co.	USA
5	Royal Ahold	Netherlands
6	Metro AG	Germany
7	Target Corporation	USA
8	Albertson's, Inc.	USA
9	Sears, Roebuck and Co.	USA
10	Kmart Corporation	USA

Source: Retail Forward, Inc.

Retailing in more developed countries is a big business and better organized than what in India. According to a report published by McKinsey & Co. along with the Confederation of the Indian Industry the global retail business is a worth a staggering US\$ 6.6 trillion. In the developed world, most of it is accounted for by the organized retail sector.

The service sector accounts for a large share of GDP in most developed economies. And the retail sector forms a very strong component of the service sector. In short, as long as people need to buy, retail will generate

employment. Globally, retailing is a customer-centric with a emphasis on innovation in products, processes and services.

Retail Marketing

The essence of retail marketing is developing merchandise and services that satisfy specific needs of customers, and supplying them at prices that will yield profits. Thereby the concept is a philosophy, not a system of retailing or retail structure. In today's CRM landscape the old analogy comparing the rifle and shotgun approaches to message and / or offer delivery is perhaps more appropriate than ever, as more retail organizations struggle to achieve one-to-one marketing-communications with customers and prospects.

Targeting allows a retail enterprise to channel its marketing budget where there is the greatest (and fastest) possibility of Return On Investment (ROI)

Retail Marketing mix

Retail Marketing mix is the term used to describe the various elements and methods required to formulate and execute retail marketing strategy.

The mix may vary greatly according to the type of market the retailer is in, and the type of products / services.

Marketing strategy

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage'. A marketing strategy should be centred around the key concept that customer satisfaction is the main goal.

A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing. Plans and objectives are generally tested for measurable results

Today's retail Marketing Managers Must

Understand the connections between the lifestyle and expenditure characteristics of customers, their propensity to purchase one product or brand over another, and leverage this understanding for competitive advantage.

Improve direct marketing response by ensuring they are targeting the right households at the right time, using the right media with the right message.

Leverage current consumer data to make better strategic decisions about products, marketing and locations.

Increase customer loyalty and retention with a scientific, data driven approach to analytical CRM. Retail marketing managers can implement the following projects to understand their customer, market and store locations better; achieving a very strong ROI for their retail marketing efforts in the process.

Customer and Market Potential Estimates:

Estimate the revenue potential of your customers to determine their current, potential and life-time value

- Estimate your market potential for more effective acquisition initiatives
- Quantity and qualify your market opportunities.

Customer and Market Profiles:

- Develop more effective communication strategies through a better understanding of who your customers are
- Identify your market potential through a better understanding of your targets.

Customer and Market Segmentation:

- Develop more effective communication strategies through a better understanding of different customer groups and your market segments
- Customize your product offers by different customer and market segments.

The nature of retail Marketing

- The key aspects of retail marketing is an attitude of mind.
- In making retail marketing decisions, retailers must consider the needs of the customers.
- Retail marketing decisions are driven by what the shoppers need and want.
- Retail marketing is therefore a philosophy and is all about satisfying the customers
- What the customers regard as value and what they buy is decisive.
- What the customers buy determines the nature of the retailer's business.
- The essence of retail marketing is developing merchandise and services that satisfy specific needs of customers, and supplying them at prices that will yield profits.
- Retailers must take the customers' needs into consideration in retail operation.
- Retail marketing is stimulating, quick-paced, and influential.
- The retail marketing concept is the acceptance by the retailer that it is the "customer" and not "demand" that lie at the core of the retail organization.

The Emerging Sectors:

Retailing, one of the largest sectors in the world economy, is going through a transition phase, not only in India but the world over. For the long time, the corner general store was the only choice available to the customer, especially in the urban areas. This is slowly giving way to global format of retailing.

The emergence of new retail sector have accomplished by changes in existing formats as well as the beginning of new formats.

The changing Retail Environment

Profound changes are taking place, and will continue to occur, in the retail industry. In terms of sales, the retail landscape is moving away from specialty stores and department stores toward discount retailing.

Although the future is difficult to predict, forthcoming trends in retailing will focus on demographics, geographic convenience, time convenience increased food expenditure away from home and rapid changes in information technology. In addition, retailers will find a convergence of electronic methods and traditional methods of Retailing.

Five pillars of Retailing

Heoxard Berry describes five important actions for Retailers. These actions, demand pillars, sound simple but are often difficult to implement.

1. Solve customer's problems.
2. Treat customers with respect.
3. Connect with customer emotions.
4. Set the fairest (not the lowest) price.
5. Save customer's time.

Retailers should always keep these pillars in mind when conducting business. As the work force becomes more diverse and the retail environment continues to changes, consumer's needs are rapidly changing.

Retailer's Responses To the changing customer

Retailers will need to alter their way of thinking to adjust to the changing customer. Retailers that convey the appropriate level of respect will experience an increase in customer loyalty and sales. Retailers must dig deep to learn who their customers are, so they can develop Niable customer segments. The old marketing concept will need to be modified from "satisfying" customers to "wowing" customers.

Global retailing

The world has entered the digital information age. Retailers in a variety of industries are now using advanced computer systems to enhance their ability to understand, communicate with and evaluate their market place and to anticipate and respond to their customer's needs, Retail shops are using bar code scanners at their check out point to gauge the types of product their customers are buying.

E-tailing

Retailing on the net is known as E- tailing. Internet has changed the way we do shopping. It has brought the commerce will play a crucial role in shaping the future of Indian retailing. The real challenge for retailing would be launching and managing a highly innovative click business that works along with a more stable bricks business. For shoppers and retainers it is increasingly a hybrid world.

Merchants that reach consumers through different sales channels, stores, websites catalogues, find that they enjoy key advantages over competitors that operate in just one world. E-tailing is still a nascent business model all over the world and it is to be seen how it emerges in the future. E-tailing will also work best as an adjunct and supplement to brick and mortar set up.

On the flip side, retail stores can make consumers more comfortable with internet shopping since most traditional merchants allows customers to return on-line purchase to their offline stores.

E-commerce in Retail marketing

“With Electronic – commerce, we have reached the flash point” – says Ferguson. The internet throws many exiting trends under an are light and accelerates the transformation to web years. There is an occupational hazard in the world of electronic commerce. There is an existing and confusing time. In some ways electronic commerce has already had profound impact – just the Wall Street brokers who have been watching their private clients flock to online discount brokers.

Retailing in India – Trends and Opportunities

Retailing – no marks for guessing this is the most active and attractive sector of the last decade in India. While the Retailing industry itself has been present through history in our country, it is only the recent past that has witnessed hordes of players leaping onto it.

The Emergence of Retailing in India has more to do with the increasing purchasing power buyers, especially post-liberalization increases in product variety and the increasing economies of scale with the aid of modern supply and distribution management solutions.

The current retailing revolution has been provided an impetus from multiple sources. The “Revolutionaries” include many commotional stores upending themselves to modern Retailing, companies in competitive environment entering the market directly to ensure exclusive risibility for their products and professional chain stores coming up to meet the need of manufacturers. Attractiveness, accessibility and absorbability seen to be the key offering of the Retailing chain.

Emerging Trends

The single most important evolution that took place along with the Retailing evolution was the rise and fall of the dotcom companies, more importantly, the very nature of the customer segment being addressed was almost the same. The computer – Sawy individual was also a scale- sector of the store.

Internationally, the concept of net shopping is yet to be proven. Now ever, the size of the direct market industry is too limited to deter the Retailers, for all companies that it offers, electronic retailing does not suit products where “look” and “see” attributes are of importance.

Retail Strategy

According to the wheel of retailing theory, retail innovators often appear as low – price operators with a low-most structure and low-profit margin requirements. Over time, these innovators upgrade the products and become high price orators. This meant enlarging the sales force, improving locations, upgrading fixtures, carrying lower thrower merchandise and granting credit etc... These improvements lead to higher cost which tern lead to higher prices.

Retail image

Image refers to how a retailer is perceived by customers and others succeed, a firm must communicate a distinctive, clear and consistent image. Once its image is established in consumer mind, a retailer is placed in a riche relative to competitors.

Future of Retail in India

Customers are also looking for convenience in shopping. This would continue more strongly in the next couple of years. In future the more dual income families, the consumer's ability to spend will increase, but at the same time it is predicted that the time available for shopping will go down, in such scenario, the retailers will have to take steps to develop shopping as an experience, though the more successful retailers will be those that will provide faster service.

Thereby to succeed in retailing, current and future retailers must be able to adopt a constantly changing environment, successfully retailers are able to anticipate and adapt to change.

Thus retail marketing strategy would not only yield benefits for consumers. Manufacturers and wholesalers but also creates economic utility.

CONCLUSION

1. Retailing is a technology – intensive industry successful retailers today work closely with their renders to predict consumer demand, shorter lead times, reduce inventory holding and thereby save cost.
2. Wale-mart pioneered the concept of building a competitive advantage through distribution and information systems in the Retailing industry
3. The traditional Retailers will always continue to exist but organized retailers are working towards revamping their business to obtain strategic advantages at various levels – market, cost, knowledge and customer.
4. It would be important to note, however that the retailing industry in India is still a “protected industry”. Given the current trend in liberalization, it will not be long before the Retailing sector also thrown open to international market. This will see a further segregation of international retailing brands.

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