

Contemporary Retail Management



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Abstract

The world of retail marketing just got a lot more personal. Consumers are embracing new ideas and technologies and expecting their retailers to take advantage of those innovations to create a more individualized shopping experience. Retailers have many more creative channels available to customize their interaction with customers, and new tools keep emerging to withstand in the competitive arena. These advances allow retailers to quickly respond to changing customer expectations and offer creative encounters that can improve brand loyalty and bottom-line sales. These new trends increase the channels through which retailers can reach customers.

Exciting trends in retail

Social Media

Retailers can't afford to ignore the fact that consumers have solidly embraced social media. A January 2010 consumer attitudes survey on social media has shown that shoppers are more likely to do business with a retailer who recognizes them as unique individuals through social media.

Consumers are ready to share engaging social media experiences with retailers. In a 2008 consumer experience study, 76 percent welcomed brand advertising on their social networks. The same study reported nearly 40 percent of consumers have "friend" a brand on Facebook or MySpace, and 26 percent follow a brand on Twitter. 2 Consumers want a personalized experience. Every contact that a retailer has with customers using social media, such as Facebook status and Twitter updates, will build relationships and ultimately influence the buying decision.



The good news is that social media is, almost by definition, easy to use and doesn't have to be expensive. Best Buy developed a simple program to communicate and help customers using Twitter. Employees manage the Best Buy @twelpforce Twitter ID and converse with customers who tweet comments and issues. This concept isn't meant to replace customer service but complements it with an online, searchable, and real-time conversation.

Mobile Retail

According to Gartner, worldwide Smart phone sales to end users totaled 53.8 million units in the fourth quarter of 2009, up 41.1 percent from the same period in 2008. Smartphone's are finally coming into their own when it comes to retail. Customers can now make payments, order online over their phone, check inventories, and get product information. New and very creative mobile applications are coming online every day enabling a much richer shopping experience.

More and more retail web sites and applications are being formatted for mobile access. Major brands such as Wal-mart, eBay, and Amazon either already has, or is actively developing, retail-based apps for Smartphone's. By now, many retailers are familiar with the ground-breaking application that scans a product barcode and offers price comparison at other stores. Newer shopping apps offer mall maps that locate stores, elevators, restrooms, and ATMs. In addition, these mall apps suggest gift-giving guides that can generate a list of stores near the user that might carry those products.

Consumers' own mobile technology has become an essential communication channel. It opens the way for messaging that can be targeted using the customers' preferences and thus adds value to retailers. It's becoming imperative that retailers launch mobile sites and applications. They cannot afford to play catch up since the consumer is already ahead of them as regards mobile adoption.

Digital Signage and Kiosks

Many retailers have been using kiosks and touch screens for some time to allow customers access to bridal and baby registries, or to order specialty items not carried in the store. To date, these kiosks have primarily offered single functionality, largely due to the difficulty integrating with other systems. As the integration issues begin to resolve, kiosks are becoming multi-

functional, strengthening the connection with customers and offering the opportunity to deliver in-store marketing promotions.

In addition to kiosks, digital signage that uses large plasma or LED screens is quickly gaining in popularity. For customers, the screens might show in-store promotions, suggest new products, or even entertain, keeping them in the store longer. For employees, digital signage can display reminders to increase task compliance, announce sales incentives, and provide communication from corporate headquarters. Taking it to a new, more personal level, customized and targeted content on digital signage could appear as shoppers, with RFID-enabled loyalty cards, came near. Even though more digital signs and kiosks are being implemented every day, it is the content and functionality that will be the ultimate driver for success. The user experience must be compelling, visually stimulating, and yet consistent. A 2009 Digital Brand Experience Report by Razor fish reports that 65 percent of consumers say a digital brand experience has changed their opinion of the brand. Even more interesting is that 97 percent of the consumers surveyed stated that the digital experience influenced their purchase decisions.

Trends in Retail Format

Having understood the various factors, a retailer can explore the opportunity of opening a retail outlet based on various retail formats.



Pop Up Stores



Of late, retailers are experimenting with a new marketing concept - pop up retailing, where a store pop ups for a few days at a major city or a mall and disappear after creating interest among consumers. Launch, sell or just promote the products or services at unique destinations and then wrap up as quickly after generating the desired buzz that is- Popping up or Pop up retailing. It is becoming the latest trend with the retailers. Quite popular

abroad, a pop up store or pop up retailing is an innovative marketing concept, where in retailers pop up announced at unique locations away from traditional markets and disappear at the same pace within a few days.

Gap Inc. has planned a pop up store between September 9 and October 3, 2010 for its website Piper lime in New York. Recently, Mumbai-based design art studio Obataimu opened a pop up store at Bombay Electric, where it displayed products like yoga chairs, trunks, table-sized backgammon sets, lounge wear, dresses and tops for two months early this year.



How it Help..?



- It increases curiosity among the people for a nascent category of retail.
- It launch a new product or to sell limited edition of the products.
- Used to study and test customer behaviour
- The clients could touch the products to understand its various functionalities.

Category Killer

It is a small specialty store that offers huge variety in a specific product category and that too at low prices. Also known as big-box retailing, such stores offer less variety but a large assortment of merchandise, in a sense 'killing' a particular category from other retailers, hence the name, category killer. In India, Mega-Mart is one such category killer.

Shopping Malls

The latest edition to the list of retail formats available in India are shopping malls. It offers a one-stop shopping destination. It combines shopping with entertainment and eating out.

“Express” store

The era of the mega-stores may be waning. Many retailers looking to enter smaller markets or cater to niche specialties are building smaller, more local stores. Surprisingly, smaller stores can also offer more cost efficiencies with mega-stores requiring more consumer traffic to remain financially feasible. Major retailers are opening prototype stores with anywhere between a 20 percent and 50 percent



reduction in square footage. Lowe’s is taking a more cost-centric approach as it builds out smaller stores in smaller markets with less than 30,000 households. While the look and feel of the stores is not significantly different, the product line is reduced. These new stores cost \$5 million less to build, \$1.5 million less to stock, and require 25 percent fewer employees than the regular-sized Lowe’s stores. Both Office Max and Staples are adding express stores in addition to their full-sized stores. Instead of a typical real estate footprint of as much as 20,000 square feet, these express stores will be 3,000 to 5,000 square feet. These smaller stores will likely be located in downtown areas and dense business submarkets.

Shopping Festivals

Shopping festivals have become the talk of the town and mall developers are leaving no stone unturned to encourage maximum footfalls at their swanky malls and attract potential retailers too. Shopping festivals have not only become the star attraction at malls but have also offered to be a potential business opportunity, giving the desired fillip to business, trade and commerce. Making available, a plethora of national/international brands – all under one roof, mall developers are cashing in on big time when it comes to organizing and indulging into shopping festivals.



Couture Retailing

A new word is picking up fast and that is ‘Couture’ which has its origin in France meaning fashion clothing. Couture, which is more apt for an individual than general public, is tailored clothing, fine stitching and impeccable finishing rather than more available prêt-a-porter (readymade garments).

There is no denying that couture cult is here to stay as the lure of glamour is omnipresent. The last few years have witnessed regular Couture weeks in the capital; the recent one being just concluded Pearls Delhi Couture Week. Couture industry which comes under unorganized sector, in the coming five years is expected to be stronger, driven by growing number of fashion schools, changing lifestyles and by strong income growth, and further supported by media coverage and Couture weeks which will help breaking barriers of geography and in reaching more people.

Innovation at Try Rooms

With changing consumer preferences, retailers are coming up with innovative and unique concepts for the designing of their trial rooms. These new concepts attract customers and make their shopping experience a memorable and comfortable one. The ‘Loot’ which is a multi brand discount store have made their trial rooms in such a way as to give them the look of a prison cell! Digitally, also now customers can see themselves in different dresses without actually wearing them. Some stores have equipped themselves with effective lighting which offers the day and night effect wherein a customer can view himself in a particular dress and how they would look in that dress during the day and at night. This concept of lighting is apt for those stores that sell party wear clothing and accessories. Kid stores have trial rooms with cartoon characters painted on walls with hooks for clothes to be hung which have cartoon favourites tagged on them.



Alluring Displays

Now a day, displays are an important part of every retail business and highly acknowledged universally. A display when skilfully done is sure to fetch customers as well as profits. Every prospective retailer would want to cultivate this art to infuse life in his products but this requires a degree of passion, creativity and skill to carve out something new and unique which may captivate audience attention and turn him from a window browser to a buyer.

These innovations are made in the following areas:

- **Store frontage**
- **Window displays**
- **Store layout**
- **Colours display**
- **Themes displays**
- **Change display settings at short intervals**
- **Lighting system**
- **Cleanliness**

In-Store Entertainment

Modern day customers are all about experience; and entertainment is loved by everyone. Organising events at your store will attract greater footfalls ensuring higher sales. Shoppers regard promotions/in-store events as the most influential aspect that triggers product trial. Product trials will bring in new customers and give a boost to the sales. Promotions generate loyalty rather than drive permanent brand switch. As per a study, 14 per cent shoppers that is, only one in seven, frequently find themselves making a permanent switch as soon as the promotion



at a store ends. The study also reveals that some shoppers wait to buy their favourite brands until there's some kind of promotion at the store.

Conclusion

Modern retailers have a pledge on the quote “Change is Permanent” which means that without analogous change with consumer's needs and likings the retailers can not able to satisfy the consumers. Retailers are spending both time and money to obtain knowledge on Modern trends in retailing and consumer needs. They are innovating new ideas and make trends in order to make the consumer's happy purchases. The modern retailers are understood that without knowing the modern trends, the retailers can't play their role in satisfaction of consumers and to withstanding in competitive retail world.

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