RESEARCH ARTICLE

RETAIL MARKETING IN THE NEW MILLENNIUM: EMERGING ISSUES & TRENDS

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ABSTRACT

Today retail marketers focus on engaging the customers by offering them value and a customer experience which is innovative and customized. Consumers today are becoming digitally conscious and marketers are leveraging this opportunity to position their brands in a clutter breaking manner and gain competitive edge. Retail Marketing is the systematic approach of selling goods / services that satisfy specific needs of customers, adopted by every business and not for-profit agency and group with a message. A highly competitive environment, knowledgeable consumers and fast pace of technology are keeping business enterprises on their toes. This paper focuses on the emerging trends and issues related to the retail marketing.

Key words: Retail Marketing, Customers, Trends & Issues.

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INTRODUCTION

The future isn't ahead of us. It has already happened"– Kotler

Retailing in the new millennium stands as an exciting, complex and critical sector of business in most developed as well as emerging economies. Today, the retailing industry is being buffeted by a number of forces simultaneously, e.g., increasing competition within and across retailing formats, the growth of online retailing, the advent of radio frequency identification technology, the explosion in customer-level data availability, the global expansion of major retail chains like Wal-Mart, Big Bazaar & METRO Group and so on. Making sense of it all is not easy but of vital importance to retailing practitioners, analysts and policymakers. With crisp and insightful contributions from many of the world's leading experts in retailing, Retailing in the 21st Century offers in a compendium of state-of-the-art, cutting-edge knowledge to guide successful retailing in the new millennium.

Meaning of Retail and Retailing

Retail is the sale of goods & services from individuals or businesses to the end-user of the products and services.

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Retailers play an important role in 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, specialty stores & by delivery. Retail is a simple concept: buy or make goods, place them on a shelf and sell them at a profit. However, competition for customers and the expenses involved in running a store ultimately pose. Challenges in the retail industry, both large and small retailers face obstacles, whether it's maintaining a viable price point or keeping customers interested in what you sell. Retailing, on the other hand includes subordinated services, such as delivery. In simple words it is the sale of goods or commodities in small quantities directly to consumers. Retailing is all about understanding the needs of the customer and molding and packaging the product as per their requirements With the help of retailing the marketers are able to understand the connections between the lifestyle and expenditure characteristics of customers, their preference to purchase one product or brand over another, and this helps in understanding competition prevailing in the market.

Key Issues in Retail

It is truly said by William James that individuals. That is the reason retailing is like to be in the jungle where we have to think for our survival to be the fittest. A good retailer would combine the personalized care of the local grocer with the

state-of-the-art CRM and other tools of retail to retain his customer base and to survive and flourish in an ever emerging retail scenario. However, there are a few challenges that retailers across the country have to face. With the markets here being mainly fragmented and unorganized, retailers across the country face the following challenges:-

Heavy investment

It is very important for the retailers to focus on heavy investment to meet their infrastructure needs as well as appointment of well-trained middle management level professionals for the smooth functioning of the trade in the market.

Supply Chain Management

Now a day**,** the market scenario is changing with a rapid speed which results in the constant changes in consumer taste & preferences, logistical challenges and evolution of new retail formats from time to time. Retailers need to implement various strategies to improve their business processes, such as logistics, innovation, distribution, fashion, marketing and management to keep in pace with changing market trends and to reach the levels of quality and service as per the expectations of the consumers.

Frauds in Retail

However, with rapid growth in the retail sector, the associated perils and issues are also coming to the forefront. The shrinkage or fraud in retail is a key issue that is becoming a cause of concern for Indian retailers. Shrinkage is the "loss in inventory on account of a combination of employee theft, shoplifting, vendor fraud and administrative error."

Infrastructure and Logistics

Retailing and logistics are concerned with product availability from the manufacturers and sometimes the retailers have to bear huge losses due to lack of proper infrastructure and distribution process. Good infrastructure and efficient distribution channel is the need of the hour to boost the retail business. It is required to concentrate in providing better transportation systems, warehousing facilities and timely distribution of products.

Merchandise

The primary goal of the most retailers is to sell the right kind of merchandise and nothing is more central to the strategic thrust of the retailing firm. Merchandising consists of activities involved in acquiring particular goods and services and making them available at a place, time and quantity that enable the retailer to reach its goals. Merchandising is perhaps, the most important function for any retail organization, as it decides what finally goes on shelf of the store.

Change or perish

Change or perish is the writing on the wall. Some of the largest names in retail, with stores all over the country have disappeared from the retail map and some of the retailers are struggling to come to terms with the change so that they can meet the expectations of customers. New players are emerging, who seem to know which way the wind is blowing. They will also be voted out by the customer, if they do not change with the times and constantly keep satisfying the ever increasing and ever changing needs of the customer.

Pricing

Pricing is a crucial strategic variable due to its direct relationship with a firm's goal and its interaction with other retailing elements. The importance of pricing decisions is growing because today's customers are looking for good value when they buy merchandise and services. Price is the easiest and quickest variable to change.

Target audience

"Consumer the prime mover" "Consumer Pull", however, seems to be the most important driving factor behind the sustenance of the industry. The purchasing power of the customers has increased to a great extent, with the influencing the retail industry to a great extent, a variety of other factors also seem to fuel the retailing boom.

Scale of operations

Scale of operations includes all the supply chain activities, which are carried out in the business. It is one of the challenges that the Indian retailers are facing. The cost of business operations is very high.

Foreign Direct Investment in Retail

FDI would have a positive effect on the economy in the long run. It would lead to greater efficiency and improvement in standard of living and ultimately benefit the consumer both price and selection wise, due to the introduction of technology and know-how of foreign player in the market. Today, consumers are very choosy when it comes to buying of a brand of a product which is offered to them. Companies need to be up-to-date with latest trends and techniques in order to be able to compete with others in the market.

Auditing

Auditing is another problem that the retail industry faces on a regular basis. Retail businesses are regularly engaged in competition with one another, and this competition creates price wars, forcing a need to keep tight control over inventory and other important data. The company notes that existing auditing systems may be outdated and provide inadequate audits needed to stay competitive.

Technology

Keeping up with the pace of modern technology is one of the major problems the retail industry is facing. For instance, retail point of sale technology often uses computer systems that are several years behind the computer industry as a whole. The inability of retail industry technology to keep up with initiatives such as mobile digital coupons is a problem that the industry regularly faces.

Employee Turnover

Lack of worker continuity, or employee turnover, is one of the major problems faced by the retail industry. Employees

coming in and out of your business as if it were a revolving door only create problems for human resource professionals who must constantly find and train new staff, which can eat up valuable time and resources.

Economic Challenges

Another area of challenge for the retail industry is the economic uncertainty it faces moving forward. The retail industry as a whole is largely dependent upon the economic well being of the nation. As the nation prospers and people have more money to spend, the retail industry generally flourishes. However, in more difficult economic times, the retail industry is often faced with potential shrinkage. Columbus IT also indicates that the future uncertainty of global economic markets makes economic planning difficult in the retail world.

Trends in Retail Marketing

Customer redefining values

Value is no longer only about price – it is very clearly Price plus. Retailers are training their staff to be experts in whatever field they're in so that they can attract customers also with the help of one or two attributes for taking the consumption decision e.g. just the size of the LCD panel for the TV, just the capacity of the refrigerator, just the fiber composition of the garment and the confidence in the retailer / brand etc. Consumers will optimize their purchases largely on simple attributes of price and convenience (time efficiency) in order to release more resources (money, time, mental involvement) for the aspiration / lifestyle based consumption categories.

Retailers are letting customers make decisions for them

With the increased purchasing power and the rise in number of double income families and demanding customers, due to change in life style and paucity of time, customers are increasingly looking for convenience. To letting the costumers taking their own decisions, the store retailers are providing a wide product range, quality and value for money, apart from creating a memorable shopping experience.

Mobile Commerce

Consumers are being given the opportunity through their mobile phones of shopping, checking order status, signing up for text alerts and other interactive functions. The retailer's are using mobile store which carries links to the retailer's social networking pages on sites such as Face book, MySpace, Home shop 18 Twitter, You Tube and Flicker.

Mobile Marketing

Consumers opt in to a retailer's mobile marketing program by giving it both mobile phone number and explicit consent to be contacted with promotional offers. The retailer thus builds a database of customers with whom it has authority to conduct real-time communications. The communication itself often takes the form of text messages alerting the customer to new products, special deals and other promotional offers. The messages can also contain coupons that are embedded with a code that is entered into the retailer's point-of-sale (POS) system at the checkout.

Pop-up shops

A pop-up shop is a short term retail space that appears seemingly out of nowhere, quickly drawing in customers, and then disappears when the optimal selling season is over. While you'll see large retailers such as Target, Saks and Macy's incorporating pop-ups in their main retail space to briefly promote trendy events, pop-ups shops are a great way for artists and crafters to have a retail presence during major selling periods during the year. These are temporary stores set up by retailers either in unconventional locations (e.g. churches or university campuses), or in vacant conventional retail space. They are used by retailers to introduce themselves into new markets where they have not yet established a real estate presence.

Corporate Responsibility

"Think Green, Go Green" is the main motive in the mind of the retailers which brings the issue of green and sustainable retailing closely associated with the broader topic of corporate responsibility, which involves community involvement, charitable giving, fair trade and good working conditions for employees. In many of the countries, social responsibility is now high on the list of shopper purchasing criteria. The best retailers believe they can no longer afford to appeal to material self-gratification alone.

Customization

Retail chains are making a greater effort to tailor merchandise assortments to local markets. However, the customization trend runs much further than that. For example, US drug store retailer CVS offers customizable gift cards whereby visitors to its website are able to create virtual gift cards with a personalized look and feel, incorporating customer-selected colors, fonts and greetings. After selecting the dollar amount of the gift card shoppers can also specify the date, time and destination of email delivery. The virtual gift card can be printed by the recipient and brought to the store for redemption.

Advancing technology ahead of the point-of-sale

Technology went mainstream at the till a long time ago but now mobile handheld devices are being used in a variety of ways to speed the checkout process and improve the efficiency and enjoyment of the shopping experience. For example, portable terminals are now being used by some retailers that enable customers to scan items before they reach the checkout, where they simply need to pay. These technological tools, like corporate responsibility, add to a retailer's cache and represent a genuine marketing advantage.

Social media

Retailers are increasingly using social media networks such as Twitter and Face book as market research and marketing channels. The sites provide an opportunity for retailers to form and interact with communities of consumers, and to direct them to virtual or physical space such as other websites or physical stores.

Using vacant shop windows as advertising signs

This is the classic case of making a silk purse out of a sow's ear: use the increasing number of vacant shop windows in

shopping centers to promote retailers and retailers' products. This can often be hi-tech; involving the use of digital displays, and draws the shopper's attention to specific merchandise or promotions in a nearby store.

Discounting and giveaways

Surprise, they are still here despite massive inventory reductions that have created so-called "zombie stores" (stores that have large areas of vacant space and half-empty shelves). Don't expect the promotional marketing tool to be put down anytime soon.

Conclusion

To conclude, retailing is a technology – intensive industry where successful retailers today work closely with their renders to predict consumer demand, shorter leads times, reduce inventory holding and thereby save cost. So, to compete successfully in the 21st century, firms need to meet the challenges of a rapidly globalizing, highly competitive and technologically complex environment. These challenges become yet more daunting with the accelerating pace of change and increasingly volatile and turbulent nature of markets. And it is important for the retailers to cope with this changing scenario for better survival.

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