

Study on “Digital Marketing a boon or curse for Organized Retailing”

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Abstract

This paper highlights the effect of the increasing trend of digital marketing over the various fixed shop retailers and the other formats of retailing. Today, sophisticated organised retailing which was the advent of unorganised retailing came into action with the advancement of technology and the replacement of the traditional culture of brick and mortar retail. Retailers comprise of a bigger proportion of the population and majority section of population relies upon these retailers. But the arrival of e-stores with their profitable offers and wider varieties has resulted on their face the worry of uncertainty and helplessness. Increasing trends depict that digital selling can become a significant new retail format, losing the infrastructure of the existing physically located stores. Retailers should hold the digital retail channels in such a way that it would enable them to spend less money on real estate while reaching out to more number of customers. This study explores into the varied aspects concerning how retail business gets affected and also the recovery mechanisms they're bobbing up with to counter those e-stores in their race of survival of the fittest. This paper additionally explains the impact upon the profit of the assorted issues because of increasing trend for digital selling, though an attempt however has been created to enlighten the situation and trends with appropriate suggestions.

Keywords — Digital marketing, organised retailing, retail stores, brick and mortar, e-stores.

I. INTRODUCTION

Digital marketing has now become a buzzword. It's a marketing being largely used to promote products or services and to reach consumers using digital channels. It includes, display advertising, search engine marketing, social media marketing, mobile phones and many other forms of digitalised media. The way digital marketing offerings are becoming progressive, the impact of their efforts are being felt more on India's traditional retail formats. As significant area of the trade is occupied by local baniya or mom-and-pop stores, the retail sector is experiencing a good deal of churn as physical retailers take new and elaborate measures to stay up with their on-line competitors. This paper analyses the state of the normal retail and

digital selling, quantifies the degree of danger e-stores are posing to ancient retail establishments and whether or not the latter are going to be ready to adapt to digital selling on their business models and baselines.

II. EVOLUTION OF RETAIL INDUSTRY

The expansion of organized selling in recent years may also be gauged by the increase in number of malls further by the rising variety of recent retail formats. The retail units progressed fairly well with the passing decades since 1990. Firstly organized sector evolved in the developed countries like the United States, China and the United Kingdom in the mid-1990s and expanded later in developing countries like in India, Africa and many more by the end of the 20th century.

A. Driving Forces of Organised Retailing

The remarkable increase in population, gradual increase in annual income which is increasing the purchasing power in the hands of people and the fast-paced urbanization is only fuelling the growth of the organized retail sector. The sceptred socio-economic class is currently on the shopping mode with inflated social incomes, attributable to their innate needs to measure severally. Individuals are currently searching for product and services which will be bought with convenience, additionally to prime quality. Millionaires on the increase are driving the demand for luxury things like branded jewellery, fine wines and watches. The high demand for retail is additionally fuelled by easy accessibility to credit cards and private loans. Spending habits of the youth now heavily involve the use of plastic money. “Buy now, pay later” has become the success mantra for the organised retail formats to penetrate.

III. EVOLUTION OF DIGITAL MARKETING

The era of Digital marketing makes use of electronic devices such as personal computers, smart phones, tablets, cell phones to engage with stakeholders. The developed nations already had their edge years before the dot com boom. This trend was observed around the world, where the majority of online sales were accounted by the travel industry. The incorporation of information technology has enabled various sectors and areas better arrangements and performance. This trend was determined round the world, wherever the bulk of on-line transactions were mainly accounted by the travel business. The

incorporation technology has enabled varied sectors and areas higher arrangements and performance.

A. Driving Forces of Digital Marketing

The young generation comprises of internet-savvy and driven by western influences in fashion, food and alternative life-style selections, is one amongst the most important driving forces of Digital selling. Large and successful retailers of international levels like Wart-Mart, Sainsbury, Metro AG etc. have proved a good chunk of their turnover towards making retail operations more technology and information oriented. A majority of the organized retail formats in India are showing encouraging response. The organized marketing in India has additionally recognized the facts that if they require to survive, grow and stay in ability with the competitive markets, they need to integrate the hardware and innovative technology as it has become the essentialness in marketing for higher operative efficiencies ensuring enlarged profits. The new generation is contributing mostly to digital promoting sales, in the main attributable to peer pressure, growing aspirations, rising careers and of course, to pace up with latest trends in every fashion and digital devices.

IV. IMPORTANCE OF THE STUDY

This study considers the situation relevant to today's digital era which is able to produce awareness regarding the impact of retail stores. The explosive upswing in on-line searching and customers shift towards it, to a larger extent may be a real issue of concern for the thousands of shops or outlets providing slender style of merchandise that measure their major supply of bread and butter. This study needs to elucidate the important situation and conjointly look at the threat that emerges over the assorted retail formats. In this study an effort has been created so retailers square measure alert to the future that's expected to loom over their business within the close to future so they will applicable arrangements to face such challenges. Dynamism stands the bottom of this state of affairs and as a result of that something that continues to be stagnant are surpassed by others. It's the high time that organised retail formats should strategise their infrastructure in an innovative way with newer and advanced technologies.

V. OBJECTIVE

The main objective of this paper is to identify the effectiveness of digital marketing and its repercussions on retail formats.

The supportive objectives are following:

- To depict the status of Organised retailing and digital marketing;
- To focus on the basic comparison between organised retails and digital marketing.

VI. RESEARCH METHODOLOGY

For this study, my focus is there only on secondary data which is already published or available by different sources of information.

This research work is descriptive in nature as researcher will use only the comparison between innovation in digital marketing and its impact on organised retail formats.

VII.DIGITAL MARKETING V/S ORGANISED RETAILING

The debate continues as to whether digital marketing is overpowering and surpassing traditional retail formats or not. Many suppose that for the foremost half,

digital promoting has appropriated and ancient merchandising barely exists, if at all. Digital Marketing involved promotion of a product on the company's website available on the internet online. These sites makes available the company's products, offers, variants, features, and price, take orders online. Companies are using social websites like Face book and twitter to interact with the customers. Online Stores within a shorter time frame has reportedly become very popular & also continuing that concept of using Internet for business & its other functions like Money Transfer, Online Shopping & Payments & for Sales & Marketing. Digital retailers, on their growth path, have capitalized considerably on the comparatively fragmented nature of India's physical retail establishments, by providing a wider portfolio of product, an easy getting expertise and a considerably higher level of comfort and convenience, vis-à-vis the standard stores might not continually have the specified things available. With deposition or completely different constraints, physical retailers may not be able to show a vast array of merchandise, whereas on-line e-commerce have the liberty to indicate it all – moreover of products which are not even 'in stock'. That's a precise further advantage for digital retail model in Asian nation. One in all biggest pain-points for the offline retailers is that the evaluation of the pricing strategy for the product offered on-line. To convert extra customers, on-line merchants build such discount offers that the Indian consumer merely cannot refuse. The conversion can be via direct discounts or offers at checkout. Either ways that, once the costs on-line appear abundant not up to the physical retailers; shoppers tend to the touch and feel the things 1st at a mercantile establishment on location then purchase them on-line – this development is truly termed as 'show rooming' that offline retailers have been observing it clearly and cant help with it offline retailers contributed their years building their brands and making a brand loyalty. Along With product and price strategies digital retailers

have positioned themselves through their add on services like shorter delivery times, safe logistics, reduced delivery prices, doorstep delivery and an ample variety of making cashless payments.

VIII. DIGITALISATION A BOON FOR ORGANISED RETAILING

Digital promoting is that the utilization of electronic media by the marketers to push the product or services into the market. The objective of digital promoting is attracting customers and permitting them to act with the whole through digital media. This text focuses on the importance of digital promoting for each marketers and shoppers. Digitalisation will be a good manner for tiny businesses to extend their sales and widen their reach. It is also convenient for shoppers, UN agency should purchase at their convenience, while not having to go away their homes or pay the day fighting queues at the shopping centre to choose up the most effective deals. However, digitalization has created a helpful platform for the digital retailing within the following ways:

A. Selling online

Selling on-line suggests learning new ways of managing customers, promoting your product and fulfilling your orders. You'll be able to keep your prices lower, reach a wider audience and do business 24/7, having time to concentrate on rising your product and services and your client expertise rather than being on the shop floor anticipating shoppers. However, having an internet store will increase the shoppers on your ancient commerce in addition; as crowd currently is ready to search you on-line and see what product you're giving offering.

B. Faster Information

Thanks to digital media, firms will get their data resolute the general public quicker than ever, rather than printing inserts and anticipating the Sunday paper to announce their sales, firms currently will let the globe fathom associate in nursing exciting promotion through email, social networking, their websites and net ads. However, digital media will unfold unhealthy data a couple of business even as quickly because it will unfold smart. A smart phone with updated camera or video enabled features or a Facebook standing update that has an organization secret can be posted online minutes by just a touch leading to the destruction of goodwill of business, which beforehand was cleared up without any mess.

C. Greater Reach

Digital media suggests that companies can reach further customers than ever

before. A simple promotion that has a giveaway or a free gift can earn a business a full bunch or thousands of Facebook fans and email and text message subscribers, meaning that the business can send a message to those shoppers with merely click of button. However, digital media conjointly implies that those shoppers will reach back. Through negative comments on your Facebook page and different other social networking sites, customers can use digital media to find the reviews and the grievance if any worldwide.

D. Technology

Usage of latest technology in digital media has provided the new scope to support the media. New technology will associate in nursing quality for your business after you adopt smart phones and laptops so as to use digital media, you furthermore may completely influence different areas of your business. Let's say, such mobile technology makes communication among staff abundant easier. However, new technology is pricey and typically it doesn't have the positive impact its champions suppose it'll have. An initiative was taken by the variety of firms to give its staff home computers To have positive influence for the corporate on-line. However, the program extremely all over up inflicting support and tax issues for the businesses and staff.

E. Options

Thanks to digital media, businesses currently have more choices that they will choose between once seeking to induce word out concerning their businesses, rather than selecting among a TV or radio business or a print promotion, they will currently produce media that's a mixture of audio, visual, text and interactive media. This mixed media will charm to a bigger audience with differentiated preferences. However, it's conjointly additional expensive to tay up with the dynamical technology and should need the creation of recent strategists UN agency will suppose and make digital.

IX. DIGITAL MARKETING A CURSE FOR ORGANISED RETAILING

A. Privacy

It is simple to gather plenty of private info from a shopper employing a digital selling approach, typically too straight forward. Since all online transactions are recorded, it's comparatively straightforward to form an internet profile of the customer, and use that to send targeted advertisements. However, several can agree that this can be an intrusion on a consumer's right to privacy, and its one thing that's heavily regulated on several countries. This implies new businesses

going to establish an internet presence through digitalization ought to remember of the legislation that applies, as mistakes may be expensive each in terms of fines and client trust.

B. Security

Another negative effect of e-commerce is its effect on consumers' security. Online transactions square measure inherently insecure than those conducted face to face as a result of there is not any guarantee that the person creating the payment is that the actual owner of the master card used. At identical time, once the client inputs the payment data they risk a third party intercepting it if the web site does not go with the adequate security measures, giving rise to master card fraud and other fraud. Merchants have to be compelled to bear in mind of the risks electronic transactions carry, and work towards securing the systems to the best standards.

C. Price Wars

Merchants who used physical merchandising concept could typically realize merchandising on-line a very competitive marketplace. Their product measure displayed aboard competitive offers, typically from completely different countries or larger retailers with access to raised wholesale costs. this may have an effect on the distributor negatively, as they can't sell the maximum amount as they expected to really create a profit, or the consumer's once on-line store execute so as to become additional competitive or product square measure purchased from illegitimate retailers as a result of that they had the most effective value.

D. Returns and Complaints

Selling online means usually a higher return rate on products than when the purchase was conducted in person. This is due partially to the actual fact that customers haven't seen the products head to head before purchase, however additionally to the actual fact that a lot of obtainers (web shoppers) buy things on impulse, and by the time they receive them at their home they need modified their mind and create use of favourable come back policies. Whereas an enormous distributor wouldn't have any drawback accommodating this, it may be extremely tumultuous for a tiny low business with restricted stock management.

E. Why in Retail Attention Alone Is Not Enough

Driving sales takes more than just driving attention. While retailers have always specialized in getting to know their customers, the increased availability of communication and transaction channels is posing some unique challenges for brands. Consumers do most of their research at home on

desktops or tablets and use mobile devices to make purchase decisions when in store.

F. A Responsive Experience is Social, and Data-Driven

The rapid changes in customer adoption of mobile and social are strong reasons to re-evaluate commerce strategies. Customers are accustomed of beginning a task on one device and finishing it on another, and there's a revived specialize in retailers' supporting user tasks and fulfilling orders across channels.

X. CONCLUSION

Moving with the digital age, there's definite a paradigm shift inclining a lot of towards e-commerce. However, for digitalization to achieve success throughout, challenges like low web network in rural areas, or perhaps poor connection in urban areas inflicting high drops in payment processes will disrupt the expected digital growth. However, brands that plan to be strictly offline are doubtless to lose the patronage of the tech-savvy period. The brick and mortar retailers should abide by and alter themselves to new ways like logging on, or merging with established on-line businesses, if they require to partake within the profits that the web e-commerce brings to their existing portfolio. The face of retail has changed; these days, marketing is going into malls, logging on and going mobile. Customers are the thrust behind the increasing urge for retailers to integrate digital tools and technologies. Digital promoting could succeed a lot of if it considers user wants as a high priority. Similar to "Rome wasn't in-built in day," so, digital promoting results won't conjointly return, without any trial (and error). The watchwords "test, learn and evolve" ought to be the main aim of all digital promoting initiatives. Firms should aim producing innovative client experiences and specific methods for media to spot the most effective path for driving up digital promoting performance. Both organised and unorganised retail corporations have to be compelled to work on to form certain higher prospects for the retail business, whereas generating new edges for his or her customers.

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