

## **RETAILERS CATCH-POPULARITY OF ONLINE PRODUCTS AND STORE**

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### **Abstract**

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*With the coming up of smart phones and the availability of easy internet access, online marketing has become imperative. With retailers in a dilemma as to how to market the product to increase its online appeal. In this research the literature on online marketing as well as the past research in marketing is studied to understand what factors increase the online appeal of a product. A retailer has many channel options to market the product, but with the growing use of internet it has nearly become impossible for them to ignore the online channel. A review of literature on the online marketing has revealed certain factors that a retailer must keep in mind for increasing the product appeal online. Some of the major factors are product customization, Logistics, availability of the product. These factors are studied to understand the effects of marketing the product online. On the basis of the literature available on Online Marketing, we have framed some suggestions for the retailers to increase the online appeal of their product. In this era of online marketing, retailers need to be abreast with the gimmicks of marketing their products online. This research will help retailers to find a niche for their products online.*

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### **Introduction**

Every businessman wants to increase the sale of goods that he deals in. He can adopt several ways for that purpose. Some of these are incentives offered by manufacturers or dealers to increase the sale of their goods. These incentives may be in the form of free samples, gifts, discount coupons, demonstrations, shows, contests etc. All these measures normally motivate the customers to buy more and thus, it increases sales of the product. This approach of selling goods is known as sales promotion. The business world today is a world of competition. A business cannot survive if its products can not be sold in the market. Thus, all marketing activities are undertaken to increase sales. Producers may spend a lot on advertising and personal selling. Still the product may not be sold out. So incentives need to be offered to attract customers to buy the product. Thus, sales promotion is important to increase the sale of any product.

### **Methodology:**

To study the retailers dilemma for increasing the sales, secondary data is studied. The data is extracted from good journals and books. The data has helped to study the consumer behaviour on sales promotion strategy

### **Literature review:**

Lal, Sarvary (1999) in their paper have brought out the concept of showrooming as, when the customers benefit from using the physical store to evaluate products as many product attributes are non digital in nature and cannot be properly assessed online. Obviously, this results in the physical store losing potential customers. So of this trend is referred to as 'showrooming'

Bosman (2011), in particular, quotes the market research findings of Codex who use a one month sample of book purchasers and report that 24% of people who bought books from an online retailer saw the book in a brick-and-mortar bookstore first. These numbers show that showrooming is now being practised by a significant chunk of customers and consequently primarily brick-and-mortar retailers, such as Target, perceive an increasing threat to their bottomlines.

Adler (2013) in his study has shown the expansion of online shopping and e-commerce and, phenomena such as showrooming — consumers using their phones to comparison shop in stores — seemed like the evident and looming death of brick and mortar retailers. Thus using their mobile gadgets to place an order online after visiting the physical store

Report by NCR customer experience consulting USA claims that showrooming is a familiar scene. A consumer enters a store and is directed by an associate to the latest and greatest product. The shopper paces the aisle looking at the options: holding the product, reading the specs and physically experiencing the product's look and feel. But what happens next stops the sale in its tracks. The consumer pulls out his mobile phone to scan the product's bar code to browse online to compare prices. He determines he can get the same item from an online marketplace for a few dollars less, with no tax and free shipping. With one click the consumer completes the purchase and strolls away—not a penny spent at your store. Thus giving rise to showrooming. The industry has defined this scenario as "Showrooming," where a consumer visits a brick-and-mortar store to research a product but then purchases

The perception of the consumers that marketers use sales promotions only because of poor quality of the product which cannot sell without promotions. Also consumers are aware of the product that they use and are not easily influenced by price discount or free gifts. Among the various forms of sales promotions, free gifts have more influence on the brand switching behaviour of consumers (Nagar K, 2009).

Georgescu (2013) in his research has explained how retail showrooming is the most discussed retail phenomenon, which is debated by mass-media. According to him, showrooming refers to consumer behavior of searching and evaluating a product of interest in-store and, then, purchasing it online or vice versa, To this extent, commercial reports indicate that shoppers use the technological devices (mobile phone, tablets and laptops) during the search and the purchase stages. Furthermore, another concern for retailers is the level of loyalty expressed by their customers. Showrooming is actually leading to less loyalty to retailers due to the high frequency of switching retail channels.

Placed (2013) in his research has stated that “Showrooming” is a term used to classify shoppers’ behavior of “browsing on their mobile phone for items at brick-and-mortar retailers only to buy online at a lower price”

AIMIA Columbia(2010) in their report ‘Retail analysts and media outlets in the US’ began to talk about the electronics chain Best Buy becoming a “showroom for Amazon.” From this, the term “showrooming” was born — i.e. consumers using a retailer as a showroom to view products in-person before buying them from an online retailer.

Monteleone et al.(2013) in their study have spelled out how showrooming is one of the recent concepts being discussed in retail in multi-channel shopping environment. According to them ‘Showrooming’ refers to consumer behaviour of searching and evaluating a product of interest in store, and then buying it online with anticipation of low prices. Number of studies Oxford analytica(2013) In their report have summarised about ‘showrooming’ as the phenomenon where shoppers view products in a physical store but then buy online from an internet retailer. Further the report proposed that the trend is here to stay with the increased rollout of 4G broadband and global growth in smart phone and tablet ownership.If the traditional retailers are to survive these changes its imperative for them to rethink their current strategies

Ankosho(2012) In the research had discussed about how ‘showrooming’ (SR) is a relatively new shopping phenomena in which shoppers visit stores to look at products but then place orders with competing online retailers using a smartphone or other mobile device, often before they leave the store . This behaviour deserves study because it could grow to become a relatively permanent and important factor in retailing

Luo,Bin ,Chang(2014) in their study had discussed about the typical shopping scenario nowadays. It is that shoppers browse and try the products offline and then buy them online

from a competing retailer. This phenomenon commonly described as ‘showrooming’ occurs because of the ubiquity of mobile devices and the ease of switching between multiple retail channels.

Accenture (2013) in its report had summarised about the percentage of Americans who do ‘showrooming’. 63% of Americans plan to browse at a store and then go online to find a better deal . As shoppers become mobile-assisted shoppers, they can now visit a retail store’s aisles armed with their smartphones connected to the internet for comparison shopping when they are in the store.

Ann ,Zimmerman( 2012) in their research paper have explained the concept of showrooming as the Shoppers who scope out merchandise in stores but buy on rivals' websites, usually at a lower price, have become the *bête noire* of many big-box retailers.The trend, known as "showrooming,"

With the advent of the Internet, consumers are increasingly relying on technology to compare products and prices in the shopping process. In addition, given the ubiquity of mobile devices, many consumers are engaging in “showrooming”, which means that they will first visit a physical store to browse for a product, possibly using their smartphones to compare prices, and then buy the product online at a better price. These tech-savvy consumers are changing the fundamental consumer-retailer relationship and showrooming is fast becoming a problem plaguing the retail industry

Lau Et.al (2015) in their report have analysed the retail industry of China to address the concept of showrooming. In their report they said that online commerce is rapidly transforming the way Chinese consumers research and purchase products. Our survey in 2011 showed that on average a Chinese consumer will make 10-12 visits to online and offline touchpoints—including search engines, product sites, and physical stores—before buying an expensive item such as consumer electronics. Actual sales do not always occur at physical salespoints; indeed, 16% of electronics are sold online now, versus 1% five years ago. Our 2014 survey finds that this showrooming effect, where shoppers browse in stores but buy elsewhere i.e. online.

Zang, Bin( 2013) have in their research discussed “showrooming”, as follows: consumers will visit the physical store to inspect the products; next, they will scan the barcode of the product with their cellphones to compare prices online. If the online prices are lower, they will switch to complete their purchase from another retailer online. Showrooming effect has

detrimental effects particularly to single-channel retailers. It was found that less than 7% of the transactions were fulfilled in the original channel

Mehra, Kumar, Raju (2017) said that customers often evaluate products at brick-and-mortar stores to identify their “best-fit” product but buy it for a lower price at a competing online retailer. This free-riding behavior by customers is referred to as “showrooming

Burns, Gupta, Hutchins (2017) have in their paper addressed showrooming, or consumers viewing, gathering information, and, at times, trying products at brick-and-mortar retail stores without purchasing there, then purchasing the products online from a different retailer often at a lower price. Although showrooming appears to be a popular and growing approach to shopping, interestingly, the activity has received relatively little empirical research attention.

### **Conclusion**

After taking into account everything, online sales promotion has always helped both the retailers as well as the customers. This paper has reviewed about how sales promotion strategy has changed the behaviour of the customers and thus benefiting the retailers.

With the understanding of the connection between sales promotion and the consumers' thinking and their purchasing behaviors, the retailers are more likely to fabricate a more successful sales promotion strategy to boost their sales. Also, the retailers should work to eliminate the negative insight of sales promotion, like reduction of prices. In this, the retailers need to keep in mind that the products have represented their brand. Thus, to survive in this competition and earn good reputation in the market, the retailers need to maintain the good quality of their products and also selling the products at a lower price during sales support period or supply extra gifts for the consumers, in particular loyal-consumers. Not only that, this paper has helped the retailers to know the likely effects of both monetary and non-monetary sales promotion strategy on consumers' purchasing behaviors. In other words, the marketers need to pay additional attention in selecting the most suitable sales promotion strategy for the specific products. For example, monetary sales promotion strategy is more effective for entertainment products while non-monetary sales promotion strategy is more likely effective for functional products.

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