

RETAIL INDUSTRY REPORT

IMT 500
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OVERVIEW

About the Retail Industry

Steps in Retail Planning

Major Players in Retail

Impact of Retail

Key Issues in Retail

Information Management in Retail

Future of Retail

WHAT IS RETAIL?

It is the provision of goods and services to consumers. Retailers buy goods from suppliers in wholesale and sell it to consumers for some profit, (n.d, Doxee.com)

BROAD CATEGORIES IN RETAIL

- Food products : distribution of food and related products
- Consumer goods : all the activities that sell products
- Durable consumer goods : longer lasting products such as household appliances, furniture, or cookware. (n.d, Doxee.com)



MORE ABOUT RETAIL

- Retailers don't produce any goods themselves. They buy it from a producer in large quantities for resale.(n.d, valueline.com)
- It is the point of interaction for consumers and producers.
- Consumers can afford to be choosy about where they shop, and retailers often distinguish their offerings through promotional activity. What sets one retailer apart from another is the quality, quantity, price, and selection of products available.
- Retailing often occurs in retail stores or service establishments, but may also occur through direct selling such as through vending machines, door-to-door sales or electronic channels.(n.d, Wikipedia.com)
- Although the idea of retail is often associated with the purchase of goods, the term may be applied to service-providers that sell to consumers.(n.d, Wikipedia.com) Retail service providers include retail banking, tourism, insurance, private healthcare, private education, private security firms, legal firms, publishers, public transport and others.(n.d, Wikipedia.com)

STEPS IN RETAIL PLANNING



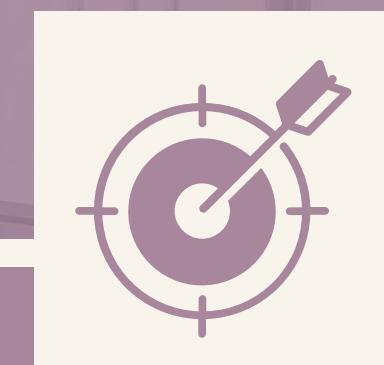
Set Goals



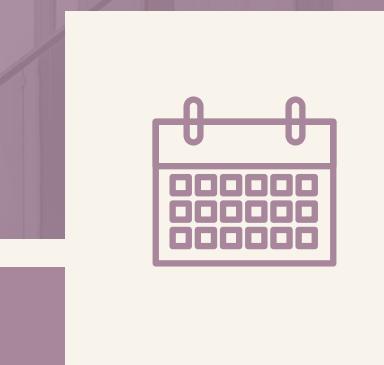
Analyze the market



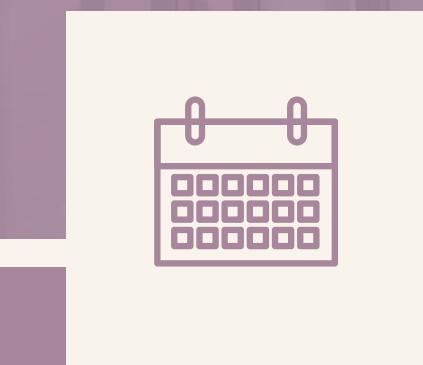
Analyze customer
behaviour



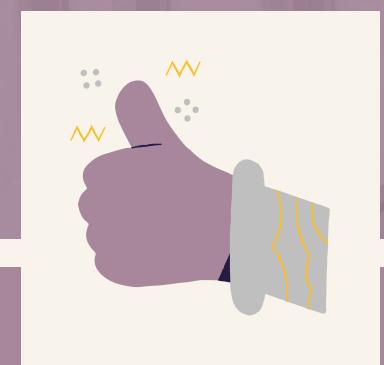
Outline retail
strategies



Make short-term
plan



Implement
Strategies



Analyze strategy
performance

Major Players in Retail Industry

WALMART

"Walmart engages in both the retail and wholesale business, selling an assortment of merchandise and services worldwide at stores and online at everyday low prices." (2020, Johnston)

AMAZON

"Amazon is an e-commerce retailer that sells a broad range of products and services globally primarily through its websites. This includes merchandise and content that it purchases for resale from vendors and those offered by third-party sellers." (2020, Johnston)

COSTCO

"Costco operates membership retail warehouses primarily in North America and in selected locations in Asia and Latin America. The company offers an assortment of merchandise." (2020, Johnston)

IMPACT OF RETAIL

CUSTOMER CONVENIENCE

Goods are presented to consumers at their doorstep, and there is an ease in selection of products by provision of a large range of options (n.d, technofunc.com)

ACCESSIBILITY TO PRODUCTS & SERVICES

Retail outlets ensure availability of products at any given point of time (n.d, technofunc.com).

ECONOMIC DEVELOPMENT

Consumer spending on retail goods drives the global economy, Countries that have the greatest economic and social progress have a vibrant retail sector. (n.d, technofunc.com)

GENERATES EMPLOYMENT

A large number of people get employment in the retail sector, in the production, distribution and sale of goods. (n.d, technofunc.com)

SUPPLY CHAIN

Retailers help facilitate the supply chain, by purchasing goods from manufacturers or wholesalers, and selling it to consumers for a profit. (n.d, technofunc.com)

RESEARCH AND INFORMATION

A retailer interacts with the end user, gathers feedback and can accordingly help develop strategies for sale. (n.d, technofunc.com)

Key Issues in Retail

Due to rapid changes in the industry, retail is facing challenges in business. Industries need to be more adaptable to deal with the ongoing challenges.

Availability of Multichannel Buying Experiences

Most consumers have now grown to like online shopping as opposed to in-person stores, simply due to the fact that there is a great ease and convenience when it comes to online shopping with easy delivery and lower costs.

However, even though the entire world is shopping online, the customers are actually making more purchases in-store. Consumers are fluctuating seamlessly between online and offline modes of shopping, and are drawn towards things that most interest them, in terms of offers and choices.(n.d, etaileast.com)

The solution to deal with this is to create an omnichannel shopping experience that is curated according to feedback from users and catered accordingly. (n.d, etaileast.com)

Expectation of a Seamless Experience

When transitioning between online and in-store experiences, customers not only want the same products to be available, they also want their experience to be seamless.(n.d, etaileast.com) They want to have systems that integrate both these experiences, so that treatment of a customer is uniform. For example, points added to an account for an online purchase should be redeemable at a local outlet too. Centralized customer data can help retailers build a seamless, fluid experience – beginning with an easily-accessible customer profile.

Gain Customer Loyalty

A negative experience leaves a long-term impact on customers' minds, which inhibit their likeliness to come back to a retailer. Hence, it is essential to build a brand and a system that provides benefits with experiences and special treatment, that engages them and motivates them to return to a retailer regularly. Another strategy can be personalization, or trying to cater to the specific needs of individual customers, that makes them feel valued.

Outsourcing

A lot of the work in the production, distribution and retail of products is outsourced nowadays due to ease of availability, lower cost, convenience, and less overhead expenses. Shipping and delivery is usually outsourced to a provider locally or domestically.

However, this leaves more room for gap in communication and untimely deliveries, that can negatively affect the retailer.

Also, the retailer has to bear the cost of the product lost or damaged, as well as arrange for a replacement.

INFORMATION MANAGEMENT IN RETAIL

SUPPLY CHAIN MANAGEMENT TOOLS

Prediction of demand and supply can be monitored and can help regulate the flow of production and sale.

INCREASED USE OF TECHNOLOGY

Digital assistants, shelf-stocking robots, etc. are innovations that have reduced workers load by automating processes end-to-end.

ANALYSING TRENDS

Users' data can be analyzed to study trends in preferences of users, and can help companies gain an edge over its competitors.

CUSTOMER RELATIONSHIP MANAGEMENT

CRM tools should be used in order to analyze and assess users responses and feedback towards the goods and services provided by the retailer.

REAL-TIME INVENTORY

Digital assistants, shelf-stocking robots, etc. are innovations that can help manage records of products' availability as well as shipping and delivery of products.

ENTERPRISE RESOURCE PLANNING

Consistently maintaining information exchange between a retailer and producer as well as between a retailer and its outsourcing or shipping partner is essential to ensure a smooth flow.

LIMITING DATA ACCESS TO USERS

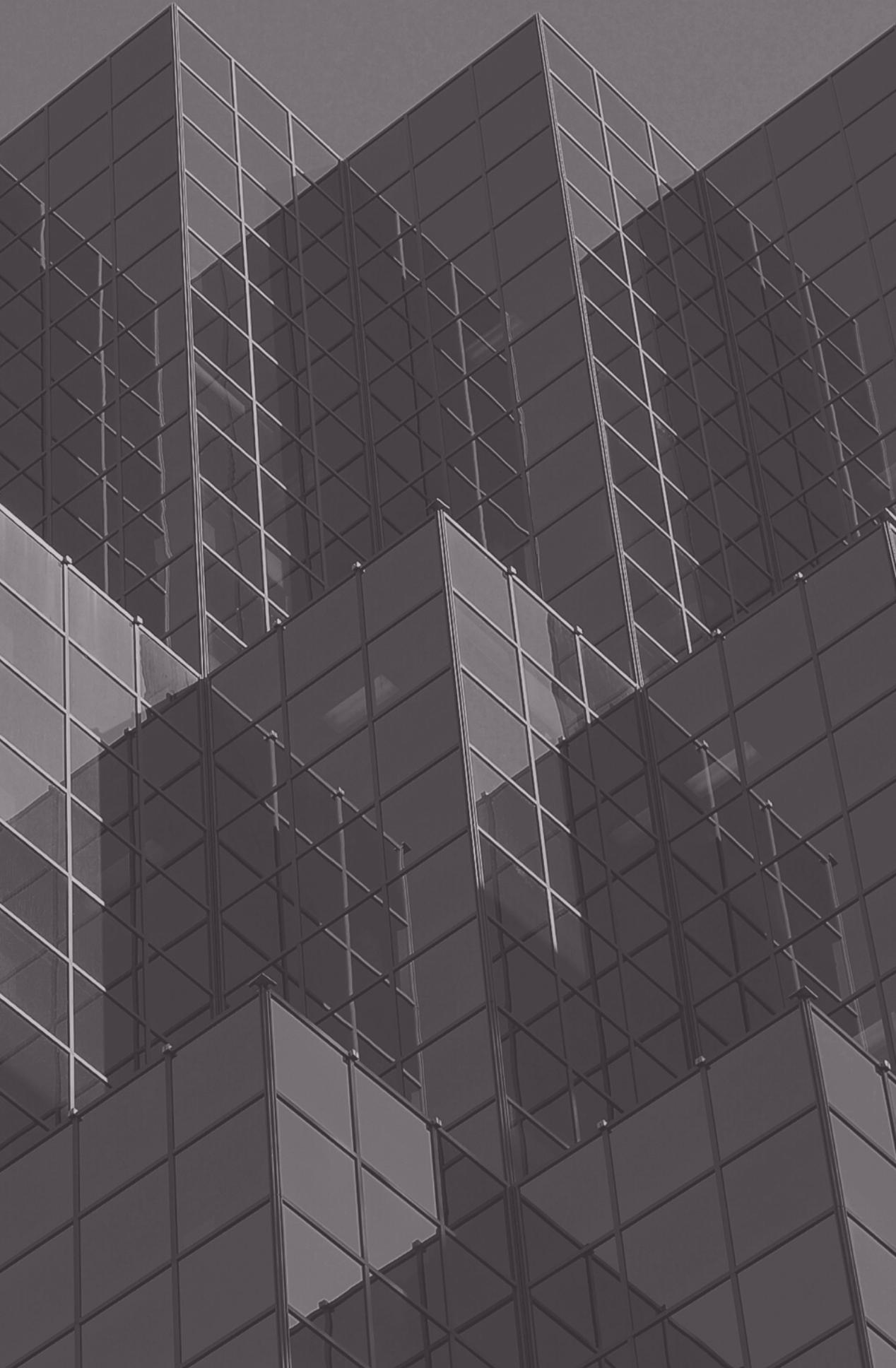
Encryption of customer data as well as software to limit access to sensitive retail data is necessary to maintain security and integrity of data.

SECURITY MEASURES

Antivirus, firewalls, etc. should be deployed to safeguard user data and mitigate attacks such as SQL Injection, Malware, etc.

FUTURE OF RETAIL

- Role of physical stores will still be important as it adds a personalized touch to the shopping experience, and we have observed more sales in-store than online in terms of quantity and revenue. (n.d, Oliverwyman.com)
- There will be a rise in partnerships of firms and organizations that can provide different aspects of a delivery service by which they will be able to leverage each others' strengths.(n.d, Oliverwyman.com)
- In the current times, manufacturers too have the ability to interact directly with the customers which puts retailers at risk since they can lose their profit margins. (n.d, Oliverwyman.com)





FUTURE OF RETAIL

- Owing to the covid-19 pandemic, there has been a steep rise in online e-commerce. The convenience and ease of shipping, delivery and returns has made it a popular choice. (n.d, Oliverwyman.com)
- New business models will emerge that will make traditional labels such as 'manufacturer' and 'retailer' obsolete by bridging the gap that can help discriminate each of them. (n.d, Oliverwyman.com)
- Development of new strategies to gain traction and increase footfall in stores as well as customer engagement.(n.d, Oliverwyman.com)



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