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MAH/MUL/03051/2012
ISSN-2319 9318

International Multilingual Research Journal

Vidyawarta®

Special Issue, January 2018

Dnyaneshwar Gramonnati Mandal's

Hon. Balasaheb Jadhav

Arts, Commerce & Science College, Ale

Tal. Junnar, Dist. Pune-412411.

NAAC Re-accredited with "B" Grade

Organized By

Department of Commerce

National Conference on Recent Trends in Commerce & Management

Editor

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EMERGING TRENDS IN RETAIL MARKETING IN INDIA

[WITH REFERENCE TO CHALLENGES OF
MOBILE MARKETING IN RETAILING]

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ABSTRACT:

Mobile marketing, which involves two- or multi-way communication and promotion of an offer between a firm and the customers using the mobile, a term that refers to the mobile medium, device, channel, or technology is growing in importance in the retailing environment. It has the potential to change the paradigm of retailing from one based on consumers entering the retailing environment to retailers entering of the consumer's environment through anytime, anywhere mobile devices. We propose a conceptual framework that comprises three key entities, the customer, the mobile and the retailer. The framework addresses key related issue such as mobile consumer activities, mobile consumer segments, mobile adoption enablers and inhibitors, key mobile properties, key retailer mobile marketing activities and competition. We also address successful retailer mobile marketing strategies; identify the customer-related and organizational challenges on this topic.

Keywords: Mobile marketing, Retailing, Interactivity, Wireless, Strategy, Marketing communications.

INTRODUCTION:

There is an explosion worldwide in the use of handled electronic communication devices, such as mobile phones, digital music

players and handled Internet access devices. As the number of such devices is multiplying, subscriptions to services offered through these devices are expanding. The number of such subscriptions worldwide grew at a compounded annual rate 24% from 2000 to 2008 with number of mobile subscribers reaching four billion in December 2008. (Internet telecommunication services Union 2008) The most popular Smartphone activities in India as on Jan. 2017 was found that 49% of the respondents accessed social media via mobile. The online retail e-commerce sales in India from 2009 to 2015 and a forecast regarding 2016, in billion U.S. dollars. Online shopping sales in India totaled 23 billion US Dollar in 2015. In India the sale of physical goods via digital channels is amounted to 16.07 billion U.S. Dollar in revenues. While the total number of Internet users on total basis in June 2012 was 137 million and it is projected to reach around 402 million by the end of 2015.

The mobility and the personal nature of the mobile devices distinguish it from other electronic devices such as the television, and personal computer (PC) and other channels with important implications for retailers. Unlike TV and PC, mobile devices are a constant companion to the consumer. It is regarded as a personal accessory, is generally not shared and potentially acts as a gateway to an initiate relationship between the consumer and retailer. Furthermore, because the devices are portable, it is an ideal supplementary channel for virtual e-retailing as well as physical retailing. Retailers can push sales promotion or fulfillment updates to consumers through the mobile channel for the consumers to access instantly. In the traditional channel, a bricks-and-mortar retailer can interact with potential customer only when the customer is in the vicinity of the store. In the mobile channel, the retailer can interact with the customer everywhere, enabling the retailer to constantly enter the customer's environment. We recognize that adoption of

mobile devices can also enable consumers and retailers to trade more efficiently, enhance supply efficiency, and reduce price dispersion. However, because marketing is the operational theme of the paper, we focus more on the customer side than on the supply side.

Mobile marketing is becoming increasingly important in retailing. Due to the time-sensitive and location-sensitive nature of the mobile medium and devices, mobile marketing has the potential to change the paradigm of retailing. The traditional model of retailing is based on consumer entering the retail environment, making location the primary source of competitive advantage. Mobile marketing is turning this paradigm on its head. Retailers can now enter the consumer's environment through the mobile device, and, because the mobile device stays with the customer, the retailer can be anywhere, anytime.

CONCEPTUAL DEVELOPMENT:

In this paper we focus on three entities, the mobile, the consumer and the retailer, and on their interrelationship. We review the basic applications and properties of the mobile in the retail environment.

THE MOBILE AS PROPERTIES IN THE RETAIL ENVIRONMENT-

The basic applications of mobile can be broadly classified as audio and visual. Different mobile devices offer one or more of these basic application. The mobile device exhibits three important characteristics: ultra-portability, location-sensitivity, and untetheredness. As a personal nature, the mobile device is not just a technological gadget, but a cultural object as well. The mobile device facilities are protecting the user's security and privacy. This mobile lifestyle offers important marketing opportunities for retailers; mobile devices pose some challenges as well.

LIMITATIONS OF MOBILE IN RETAILING ENVIRONMENT:

The typical problem of mobile device

requires only the fingers as the natural input tool & limitation of usage.

- The mobile device having the small screen and fonts limit the digital "real estate".

- Many active retail shoppers include older customers, screen size may limit their participation in the mobile medium, making the current interfaces unsuitable.

- Moreover, the virtual environment in the mobile channel is different from the real environment in the traditional retail channel.

SUCCESSFUL MOBILE MARKETING STRATEGIES:

For retail mobile strategies to be successful, retailers need a sound understanding of their target customers. Some segments of the population adopt mobile marketing offers quickly and develop a sub-culture around the phenomena (e.g. Texting, Tweeting and Flickering). Retailers who better understand these segments and their behavior can be more successful in their mobile marketing strategies than others.

Mobile advertising is increasingly becoming challenging in the retailing environment because of its intrusive nature and the limited screen size of the mobile device. To be effective, most mobile advertising should be permission based. Retailers can use mobile advertising effectively if they get consumers to opt-in, use short text messages, make the messages relevant (i.e. right message to the right customer), and use it primarily as a reminder vehicle.

Retailers need to be aware of the ethical issues associated with mobile marketing strategies. Mobile users are concerned about privacy and security of the information that they share online. Mobile pricing is another area where not much is known. We still have a limited understanding of the best mobile marketing practices for retailers.

The success of mobile couponing depends on getting the customers to opt-in by offering strong value propositions. An example of a successful mobile coupon campaign is by

Planet Funk, a fashion retailer, which reportedly experienced a redemption rate of 91% and an Rate of Interest 377% with 15% of the coupon users opting-in to receive future offers (mobile marketer 2009). The Kroger supermarket chain offers a program in which consumer can redeem manufacturer coupons through their mobile phones (Wall Street Journal 2009).

MOBILE MARKETING CHALLENGES:

In such fast-changing technological and marketplace environments, retailers face several mobile marketing challenges from both customer and organizational perspectives.

Customer-Related Challenges

Continuous learning about the behavior of the mobile consumer is an imperative for retailers. Additional questions on retail customer behavior include: How mobile is the target consumer? Where and how does mobility create value and trust for the customer? As trust is emerging as an important differentiator in the online and mobile environments. Where and how does mobility enhance consumer trust and retailer brand differentiation? Retailers may want to use the insights from answers to these questions to create trusted destination mobile sites and trusted offers for their core shoppers. Another important challenge in mobile marketing is improving the acquisition and enhancing the retention of consumers. Retailers need to better understand social networking in the mobile context to attract and retain customers even as multichannel retailing is continually being redefined. To boost customer retention, retailers can work with the shopper to let the shopper create and update shopping lists, plan shopping within a budget, and send text messages of promotional offers in the store for items that the shopper has brought before or in which she has an interest. Retailers can customize these services and offers to each shopper.

An important issue is the allocation of marketing spending across the push and pull

elements through the mobile medium. How much of push and pull marketing activities should a retailer undertake through the mobile medium? What offer should a retailer provide to a consumer who is in a mall that houses one of those retailers' stores?

Another allocation trade-off in the mobile medium relates to investments in brand versus customer assets. Brand building will call for a differentiation-focused communication, whereas targeting high lifetime value customers would require customized promotions through the mobile medium.

Organizational Challenges:

In addition to the customer-related issues, retailers face several organizational challenges in managing mobile marketing. These challenges primarily relate to organizational culture and the lack of mobile lifestyle within organizations.

With regard to organizational culture, a key question is: how should retailers create and foster a culture where mobile marketing plays an important role in the firm's marketing strategy as well as corporate strategy? What competencies do retailers need to develop to fully leverage the potential offered by mobile marketing? How can retailers create a consumer-focused organization that responds to consumers' mobile life style changes and needs? Creating a sound organizational culture can enable retailers leverage mobile marketing opportunities in a timely fashion. According to Stine, Manager, Director of Internet Business Solutions at Cisco, a retailer who takes full advantage of the mobile medium could see increases of as much as 19 percent net margin in three years. And yet, according to him, only two percent of retailers in the United States have websites that are enabled specifically for mobile devices.

With regard to mobile lifestyle, a challenging issue for many retailers is bridging the gap between managers and consumers, who

differ in demographics and mobile-savvy. Most retail managers are older than the typical mobile device users, who are teens, teenagers, and young adults. These managers do not quite share the mobile lifestyle of the younger consumers. As a result, these managers are somewhat slow in empathizing with their consumers and in catching up with their evolving behavior. How can retailers tackle this issue effectively?

CONCLUSION:

Mobile marketing, which involves two- or multi-way communication and promotion of an offer between a firm and its customers using a mobile medium, device, or technology, is growing in importance in the retailing environment. It has the potential to change the paradigm of retailing from one based on consumers entering the retailing environment to retailers entering the consumer's environment through anytime, anywhere mobile devices. We proposed a conceptual framework that comprises three key entities, the mobile, the consumer, and the retailer. The framework addressed a range of related issues such as mobile consumer activities, mobile consumer segments, mobile adoption enablers and inhibitors, key mobile properties, key retailer mobile marketing activities and competition. We also addressed successful retailer mobile marketing strategies, identified the customer-related and organizational challenges on this topic and outlined future research scenarios and avenues related to these issues.

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