May-June 2020
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Dynamics of Buyer Behavior – A New Trend towards Omni Channel Shopping and Retailing.

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Abstract:
The future of retail will not be online only, it will comprise of a convergence of channels both offline as well as online. The Omnichannel retail revolution is being discussed extensively. With e- commerce growing the retail market place is the combination of channels which is the driving force for the future. Most of the developed countries have moved from brick and mortar to online. Although the retail stores continue to remain important forproviding customer experience. There has been a new generation wave of possibilities for the Onmichannel companies to understand the opportunities for the consumer providing a holistically view of the customers - keeping in mind that the whole idea should be frictionless for the customer towards his shopping experience. Research conducted Big Commerce.com and Boston Consulting Group and Hybris have shared, that 94% of retailers are struggling to become an omni channel company – due to the ongoing challenges. The motivation behind the research is to analyse the buying habits of the Indian consumer across various retail formats and to understand whether the Indian retailer are ready for Omni Channel by adopting the new marketing technologies. The research undertaken towards the study for the retailer and the consumer includes personal interviews and web interviews to undertake the same. The sample undertaken was to interview four of the largest retailers - the top management key decision makers to understand the changing roles in technology and marketing – to understand the interests of the customer from its core. Panels of 2519 respondents were studied across 100 cities in India. Input and reactions were concentrated from the retailers about Mar Tech Investment towards the association between customer desires for Omni channel and retailer attitude. The paper provides how Indian retailers are expected to redesign their brick and mortar stores to be an Omni channel hub and develop their customer related capabilities towards personalization of customer behavior patterns.

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I. INTRODUCTION

With rise in technology enhancement and through Omni – Channel marketing one can create customer experience. Today the consumers have the opportunity to switch from an e-commerce website, a smart phone or to a physical store when gathering research to complete ones purchases. Shopping today may involve a multi-channel experience through a store, a web, mobile, social or a platform. The term "Omni" Channel is essentially the customer through one seamless channel. They are the center for every single channel that touches every customers touch point.

A study undertaken by Oracle Retailing, "Top Trends in Retail 2020," the Omni Channel consumer is witnessing more deployment of RFID enabled merchandise combined with a mobile Approach so that the codes can be scanned easily. Retailers are focusing more on in house so that the employees are engaged at the workplace to provide customer experience. The importance of human interaction has been given emphasis which can drive loyalty.

According to a report by Forrester research, 80%

May-June 2020
ISSN: 0193-4120 Page No. 390 - 398

of the store visitors do not complete a purchase – biggest ignored opportunity by the industry. The percentage proves that understanding the customer is critical and is utilizing their experiences from multiple angles.

In 2017, PwC undertook a study of 28 countries and nice retail giant stores to identify the degree of digitalization, omni channel potential, consumer buying behavior patterns and technology infrastructure. The investigation was intended to comprehend the significance of n retailer omni-channel strategies and purchaser necessities.

Harvard Business Review (2016) reports the advantage of physical stores as part of an Omni channel strategy. Companies which originally started on digital platform have moved into the physical locations coming about in – store understanding and bigger exchanges.

As stated by Erik Brynjolfsson, director of the MIT Center for Digital Business he believed that the key drivers in the retail marketing is the study of digital analytics and mobile telephone usage through smart phones. He also emphasized the importance of managing relationships which is critical in omni-channel businesses.

In the area of academic literature Omni Channel have been defined in numerous ways. Customers' expectations are evolving in the digital area. The Walmart to days thrive on the concept of Omni channel customers - the one who are not just in the store but who are also online. A lot of resources are being put into mobile experience through their own platforms. The vast majority still takes place in store but it changes the experience, the short term perspective is to make it a fun experience – retail entrainment such demo's, sampling and people responding to those experiences. The long term is what is the experience of shopping going to be like and lean more into personal services, restaurants and coffee joints in the stores. The future of retailers that are going to win is the Omni channel proposition is to build physical footprint through digital tools. Buying online through rich content, the mobile phone to be the best activity in customer experience. "Think India. Think Retail" report by Knight Frank titled "Catch Them Moving" states that India has become the 5th largest economy in the world with a total size of USD 2.9 trillion in 2019. India is becoming a destination both national as well as global for the online retailers.

II. OBJECTIVES OF THE STUDY

The objectives of the research have been listed below:

• To study the buying habits of shoppers towards online and offline platforms.

• To study the new marketing technologies used by Indian Retailers

III. RESEARCH METHODOLOGY

Face to face surveys, telephony as well as web surveys were conducted for 2720 respondents across India

The study adopted the process of personal interviews - retailers were contacted. During the process of the study the marketing department heads were spoken to. The following companies were approached:, Tata Group, Future Group, and Landmark.

IV. PRESENTATION OF DATA FINDINGS AND DISCUSSION

4.1 Consumer Research

During the survey, 100 cities were covered across India. The data collection was undertaken over a period of two weeks. 2000 responses were validated The age wise classification of the respondents in Table 1

Table 1: Agewise Classification of the Respondents

Age wise Classification of the Respondents :	
Female	**41%**

Male	**59%**
Age in Years:	
18-24	**7%**
25-30	**14%**
31 - 36	**30%**
37-45	**27%**
46-55	**13%**
Above 55 years	**9%**
Region-wise Area:	
Central and East	**20%**
North	**30%**
South	**25%**
West	**25%**
Metropolitan cities	**69%**
Tier 1 cities	**31%**

4.1.1 Shopping Across Formats

Today consumers are using online platforms to try out the new range of options available.

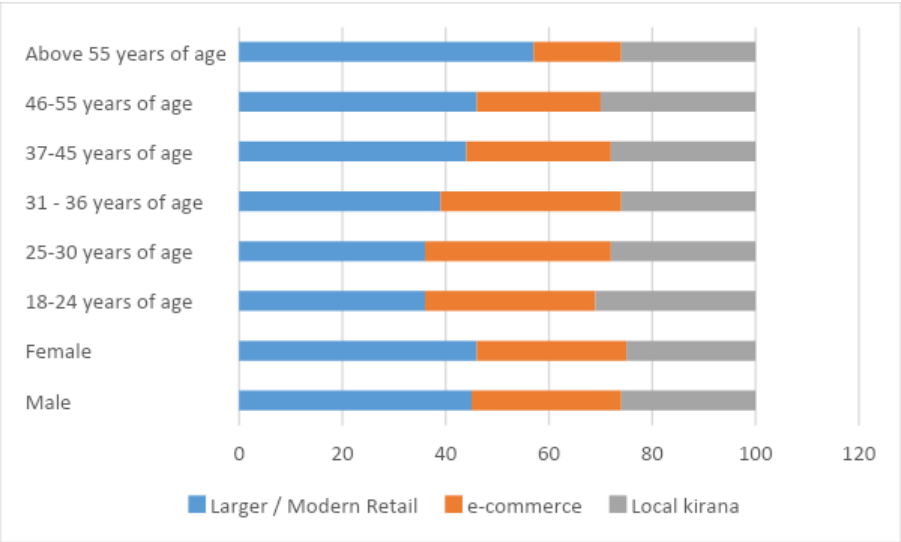
Due to increasing demands the customers are open to experiment and search across various channels and share their experiences.

Many service companies such as hotels, education and airline industry through their digital e face platforms are able to monitor service quality through increase sales.

Today convenience shopping has increased. The market place offers various shopping options Today every neighborhood has malls, shopping complexes, departmental stores modern trade outlets, cash and carry – modern whole sale and e-commerce stores.

33% of the respondents expressed that they embrace buy both on the web and disconnected of a similar retailer according to their benefit.

Exhibit 1 shows a comparative analysis of percentage share of shopping across different retail format



May-June 2020
ISSN: 0193-4120 Page No. 390 - 398

Exhibit 1: A comparative analysis of percentage share of shopping across different retail formats

The findings showcased that most of the Indian shoppers, through categories of apparel shopping were undertaken at organized retail- through the bigger retailer. The other category such as books/ magazines, also electronic goods purchases were through online channels of shopping. The customers were found to use their mobiles applications.

However during the study smaller cities/ towns were lagging in omni channel marketing and customer's behavior was low. With the changes in the retail landscape, retailers are already taking the necessary steps to increase service levels – given the primary importance.

Companies such as Amazon and Future retail in India are currently driving businesses through omni channel integration plans. Through the integration plans Future Retail will list its chain of stores that include Foodhall and Bigbazaar on Amazon India market place.

Most of the retail giants such as the Tata Group, Aditya Birla Group, Landmark and Reliance Retail are venturing into new online Channels. Croma – the store offers its customer a unique experience of both omni channel features, mobile applications through its integrated shopping interface.

4.1.2 Sources of Information towards Pre-Purchase Product Buying of the Customer

During the research it was observed that while the consumer is ready to make the purchase while handing over the money at the counter or through online purchase and retailers monitoring the technologies towards purchasing buying behavior. It was observed that shoppers use an average 10.4% before making a purchase decision for both high and low considerations.

Over the years the numbers have been doubling with respect to the sources of information that a shopper uses prior to purchase resulting in research of the product or brand.

The changing shopping behavior showcases that today shoppers are information seekers and the research undertaken by the shopper is more than 90%. 82% of those seeking information about product information find the process easy to undertake. The young generation of shoppers seeks product information through online search.

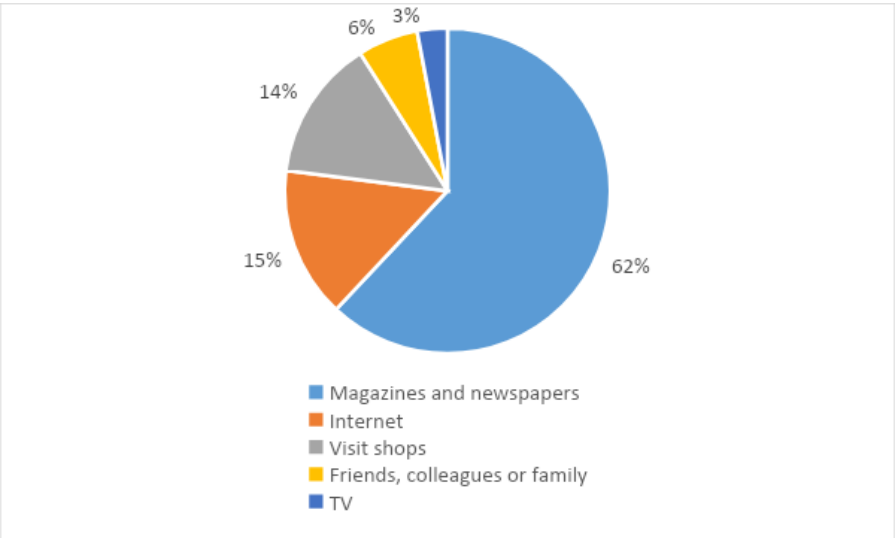


Exhibit 2: Source of Information towards planned purchases

4.1.3 Dissemination of information through Social Media Activity

As seen in the Exhibit nearly 62% of respondents said that before making a planned purchase they

would seek information out through various channels of social media .Word of mouth communication showed the least percentage at 7%.

4.1.4 Data and privacy concerns – user concerns

On observation nearly 74% of respondents said they do not mind disclosing their personal details. A large percentage of the shoppers shared that they did not like to reveal personal information during the time of shopping, however large retailers are capturing and mapping out the customers buying behavior patterns undertaken through the website.

4.1.5 Shoppers Expectation both Instore and Online

As seen in Exhibit 3 the highest percentage of respondents display the need of wanting rewards through their cards, redeeming their points or wanting discounts which accounted for 54%.

Exhibit 3: Shoppers Expectations both Instore and Online

4.2 Research Undertaken towards the Retailer and Its Approaches

The study adopted the process of personal interviews - retailers were contacted. During the process of the study the marketing department heads were spoken to. The following companies were approached, Tata Group, Future Group, and Landmark.

A total of 39 Questions were designed over 7 segments. The segments were in the area of Strategy and Approach to MarTech, Use of Data Analytics through web analytics Content Marketing Tools, Use of Social Media Marketing, Mobile Marketing platforms, Understanding Customer relationship and sales management tools and analysis of digital transformation towards customer's experience.

We arrived at the following summary of findings:

Strategy and Approach to MarTech

To collect information on Prospective customer towards non planned as well as planned purchases

With the collection of data information – Analysis of the carious kind of categories of Indian shoppers

To adopt a systematic way of analyzing data information through big data analytics and sharing customer driven insights

To understand the need and importance for adopting MarTech intoones organisation

The CEO in one organization is dedicated to adopting MarTech tools into the company towards focus on customer driven – the future ahead

All the departments (Marketing, Supply and Operations - Vendor and Supply, Customer Services, and IT etc.) are striving together to meet the expectations in omni channel marketing

Implementation of MarTech tools to be used in ones organization as strategic marketing objective.

We work extensively in the area of MarTech to have a cutting edge over the competition and build good customer relations

In-house analytics team members and departments involved in adoption and implementation of MarTech within your organization.

All the departments work cohesively towards implementation of MarTech into ones company

Key business results while using MarTech within ones organization

We operate on well-defined goals resulting in customer experience

We leverage on Martech technology to support our digital asset management

The allocation of Budget expenses for MarTech in one's organisation

The main functional departments allocate resources to be used in Martech

Some parts of the marketing budget is utilized towards Martech

Gather Collection of every prospect data

We collect information on every purchase at the store (POS)

We collaborate with partners through third party agreements – they maybe the agencies and vendors who support in generating new leads

Paramount importance is collecting customer information.

We collect data information to study customer buying habits and choice of preferences

We utilize customer driven information of raw data through different sources developinganalytical models

Customer data integration from different sources

We capture data from the website in the form visitors

We catch and coordinate client data at retail location

We catch and coordinate information that originate from guests who visit our website(s)

We catch and coordinate information from web-based social networking

We catch and coordinate client information from accomplices

We catch and coordinate possibility and client information from outsider sources

Interest in building an investigation group Building And Creating analytics Capability of team members

Truly, we have a full in-house examination group however we have likewise re-appropriated a portion of the investigation work to full-time office/vendors(s)

Building strong social media communities and understanding the need to set up digital marketing campaigns

Online presentation battles to obtain new clients

Online presentation battles to intensify disconnected crusades

Online inquiry showcasing efforts

To create a new email marketing strategy for both prospective and lead customers

Online technology an important aspect towards customer acquisition and retain (ORM)

We listen, understand and monitor the online conversations to analyse customer data which is applicable to our company and brands

Originating new content to drive the market is essential

We need to plan and develop a new content strategy at regular interval periods

May-June 2020
ISSN: 0193-4120 Page No. 390 - 398

Our digital marketing experts – part of the social media – digital channel develop content towards the plan

On a need basis if required we utilize borrowed content

V. MANAGERIAL IMPLICATIONS

The paper enumerates the idea of omni channel marketing, with the aim to understand the customer's mindset in omni channel marketing and the perspective of the retailer. Today's retail shoppers expect to be serviced through multiple channels. The channels include mobile, social media, website, retail channels, and store and customer touch points – an integration of all channels. One of the many challenges for the retailer is to give an all-encompassing shopping experience to the client. The data captured by the retailer should be a full circle of identifying and managing the customer requirements and optimization. Large online retailers are setting up brick and mortar stores and the physical stores are moving into online presence. Integration of all the channels, providing a seamless experience that will result in loyalty is the key to success.

The IDC report showcases the importance of building and investing new marketing technologies that can help retailers digitally transform the onmi channel experience. The main challenge is really to identify who is the customer advocate – identify the customer needs that is looking across the traditional products and channels. The retailer needs to serve as an advocate for the customer in the store by helping with product decisions, service decision, technology discussions providing real time solutions and not only just offering a product. Another challenge is listening to the customer. Today retailers spend a huge amount of money in data mining exercises and social listening although they tend to be focused on very specific products or specific interactions. The need of the hour is to be listening to the whole relationship of the customer. Retailers can invest in three critical areas of channel, technology and performance. Retailers can understand how technology affects the purchase buying behavior and intentions of the customer. They have the opportunity to explore areas of interactive technologies / customer touch points / role of mobile usage. There is no doubt that those retailers who can track the customer's journey at every point of interaction will be able to increase its profits.

India is in transition – retailers are moving into online format – understanding how the digital market place works in the area of analytics and application is limited. This poses a huge threat to the mid –sized retailers in the area of data integration. Most of the retailers operated on separate analytic software, the need of the hour is providing a holistic view in the operations of omni channel to all relevant stakeholders. The boundary of omnichannel and multi – cross marketing is blurred. In theory omni channel retail is about providing customer experience, although customer data information lies in the hand of the marketing department

IDCs Hand predicts that retailers are relied upon to put more in investigation, higher performing frameworks and security for client information – which thus will permit retailers to all the more likely comprehend customer conduct both on the web and disconnected. Retailers have a chance to make venture wide deceivability about the client, target bits of knowledge, and a solitary client connection stage. Retailers who will make sense of how to have clients interfacing with them by methods for various selling channels will be more profitable than the ones who don't.

Indian retailers are up 'til now reacting to online retailers – and are neither using investigation nor web without limit, nor utilizing their physical stores as an additional preferred position over internet business entryways. The key troubles Indian retailers face will go up against are data compromise. The issue lies in the way that various branches of retail activities have their own examination programming; however an omnichannel approach requires an increasingly all-encompassing perspective. Retailers

will likewise need to begin taking a gander at sharing client information across big business to likewise decide request and supply patterns. This is basic since client desires and requests are at the focal point of omnichannel, yet additionally testing since this information was generally under the domain of the marketing division.

It ought to be underlined however that the purchaser overviews for this current examination was led on the web. This can be extended in further investigations. Clearly, there are numerous future bearings and openings in this rising theme because of the intricacy of the channel, and the way that promoting rules and legitimate structures in regards to purchaser's information abuse is till advancing.

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