Web, Non store-based, And Other Forms Of Nontraditional Retailing

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Clickstream Retailing

- Collection, storage, and usage of relevant customer information
  - name
  - address
  - background
  - shopping interests
  - purchase behavior
- Observation of 80-20 rule

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Selection Factors by Customers

- Company reputation and image
- Ability to shop whenever consumer wants
- Types of goods and services
- Availability of toll-free phone number, Web site or mobile app for ordering
- Credit card acceptance
- Speed of promised delivery time
- Competitive prices
- Satisfaction with past purchases and good return policy

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Direct Selling

- Direct selling includes personal contact with consumers in their homes (and other nonstore locations such as offices) and phone solicitations initiated by retailer.
- Annual sales of $35 billion in the U.S., where 18.2 million people are employed (more than 90 percent part-time).
- Annual foreign revenues of $185 billion, generated by 100 million salespeople.

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Web Strengths: Consumer Appeal

Using the Web

- Information
- Entertainment
- Interactive communications
- Personalization
- Peer-reviews

Shopping Online

- Low search costs
- Endless selection
- Prices
- Convenience
- Fun

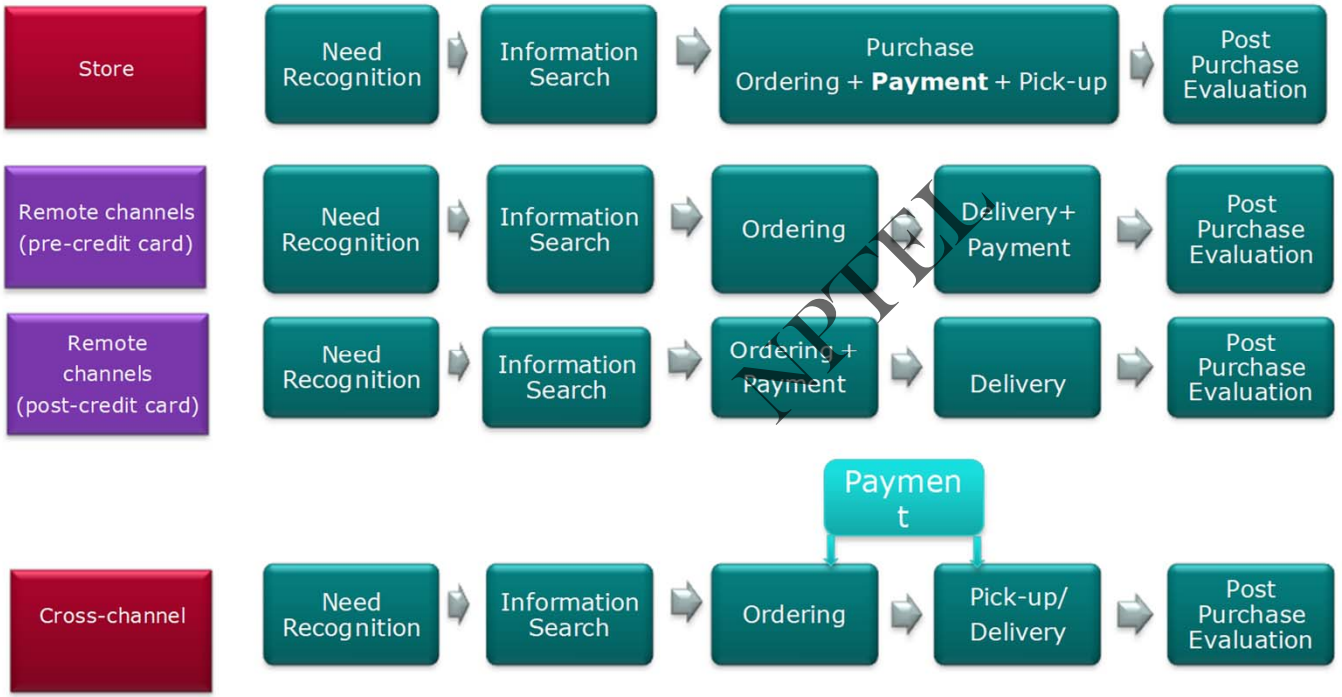
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How has the World Wide Web Changed Shopping Behavior?

- Decoupled ordering, payment, and delivery
- Website design/interaction – drives retailer image
- Fulfillment/reliability: 24/7/365. Buy, pay, pick-up anywhere, anytime
- Customer service – info from retailer, must also provide peer-reviews
- Security/privacy – personalize for “me only when I need it”

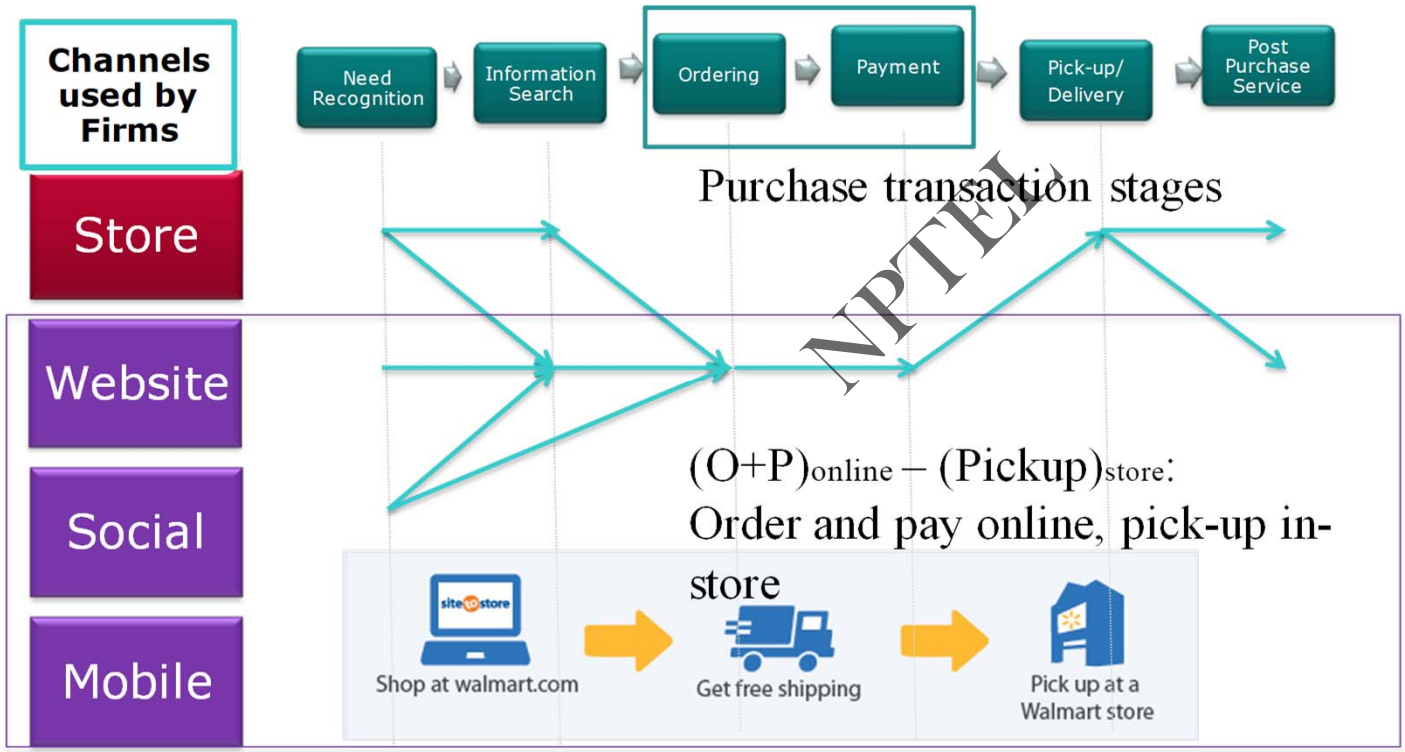
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How Payment has Decoupled From Ordering and Pick-Up



Consumers select channels based on when and where they want to pay

Cross-Channel Shopping Behavior (Payment and Pickup Decoupled)



Reasons NOT to Shop Online

- Online shopping accounts for only 8% overall retail spend!
- Lack of trust in retailer
- Fear of fraud
- Lack of security (credit card access)
- Lack of personal communication
- High shipping costs

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Recommendations for Web Retailers

- Develop or exploit a well-known, trustworthy retailer name
- Tailor the product assortment for Web shoppers
- Enable the shopper to “click” as little as possible- Amazon.com one-click option
- Provide an effective search engine
- Permission-based use of customer information
- Include unedited ratings and reviews for customers to increase consumer information and to reduce risk
- Personalize the shopping experience for each shopper based on past purchases and previous Web searches
- Include free shipping or one time shipping fee for unlimited shipping

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Optimizing Customers' Web-Based Service Experience

- Service experience based on delivery speed, speed with which questions are answered, customer's ability to find suitable product and accurate portrayal of good (features, color, style and fit)
- Access to call center personnel through instant messaging and Email—L.L.Bean's "click and call" features
- Personalization--Use of computer algorithms to show suggested products
- Customer reviews
- One-click checkout
- Demonstration videos
- Amazon Remembers-matches photos to actual products available on amazon.com

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Optimizing Customers' Web-Based Service Experience

- Zappos– full service online shoe retailer
  - Free returns, free online shipping
  - 365 day return policy
  - Eliminated drop shipping due to inability to control on-time delivery
  - Manage 1,417 brands, 152,000 styles, 824,000 UPC codes
  - 4 week new hire training program + 2 weeks in the call center

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Creating Shopping Experience for Amazon Customers

Please click URL to view:

https://youtu.be/PeWzMmmDlQM

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Discovery limitations with e-Commerce

User queries are largely based on themes and trends. E-commerce fails to adapt product listing with the changes.



	Social Media	E-Commerce
Cocktail Party Dress	478,588	16
Business Meeting Dress	43,266	28
Dress for petite body	6,246	138
Embellished Tops	3,857	1,046

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