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

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Omni channel Retailing

- Seeks synergies among formats (get product information on Web, order through catalog, pick-up in store, use kiosks for out-of-stock merchandise)
- Retailer views each channel as creating value (immediacy of store, 24/7 of Web, long lasting impression of catalog)
- Channels are viewed as complementary, not competitive (Costco Web site vs. store)

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Principles of Omni Channel Retailing

- Use same product identification in all channels
- Price goods the same in all channels
- Assess infrastructure economies. Direct marketer data base and delivery system.
- Cross promote goods across channels.
- Use suitable partners (Amazon to sell, Fedex to deliver)

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Nontraditional Retailing

- Nontraditional retailing includes hybrid formats that do not fit into store and nonstore-based categories to extend retailers' footprint :
  - Vending machines
  - Video kiosks
  - Airport retailing

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Vending Machines

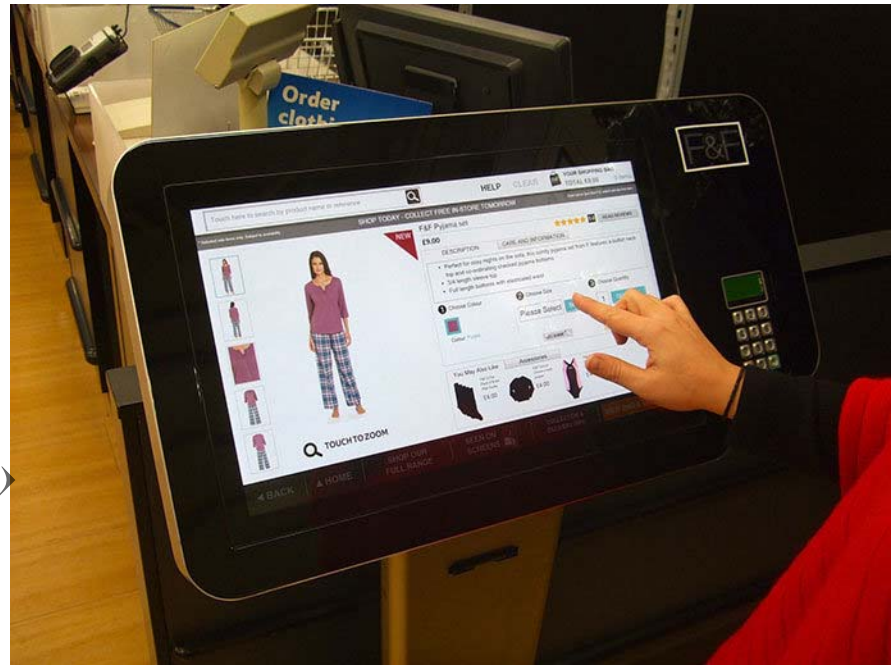
- Vending machines are a cash- or card-operated retailing format that sells goods and services.
- Eliminates the use of sales personnel and allows 24-hour sales. Lowers costs and risks.
- Machines placed wherever convenient for consumers, but not for store.
- 95 percent of the $50 billion in annual U.S. vending machine sales involve hot/cold beverages and food items.



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Video Kiosks

- A video kiosk is a freestanding, interactive, electronic computer terminal that displays products and related information.
- Some kiosks are located in stores to enhance customer service; others let consumers place orders.
- There are 2.2 million video kiosks in use throughout the world, nearly 1 million of which are Internet-connected.



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Airport Retailing

- Large group of prospective shoppers
- Captive audience
- Strong sales-per-square-foot of retail space
- Strong sales of gift and travel items
- Difficulty in replenishment
- Longer operating hours
- Duty-free shopping possible



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Thank You

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