

## Retail Marketing Strategy

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### Lecture-4

Welcome back everyone. Today we will be beginning with the session 4 of the course Retail Marketing Strategy. So considering the last session I really hope that you enjoyed learning about the social and economic significance of retailing.

#### Learning Objectives:

After going through this module, the learner will be able to appreciate:

- Remaining Part of Entrepreneurship Opportunities in Retailing
- Evolution of retailing
- How retailers create value?

Extra Fodder for Thought: "Amazon Prime Air"

Learning Something New: "Emotional Labor"



But there is one thing which we had missed out on that is the entrepreneurship opportunities which retailing provides. Along with that we will also be looking at the evolution of retailing as far as this module is concerned. And we will be ending this week with respect to the value creation perspectives as far as retailing is concerned.

So as we enter this particular session as a part of extra fodder for thought we will be learning about Amazon Prime Air along with that as far as the another exciting element is concerned with respect to learning something new we will be learning about the emotional labour.

## ■ Entrepreneurial Opportunities



Jeff Bezos, Amazon.com



KR Bhaskar, Bhaskar Puranpoli Ghar



Ingvar Kamprad, IKEA



Howard Schulz, Starbucks



Subhash Chandra, Sangeetha Mobiles

Source: <https://in.linkedin.com/in/subhashchandra/>, [https://en.wikipedia.org/wiki/Howard\\_Schulz](https://en.wikipedia.org/wiki/Howard_Schulz), <https://www.thethrive.in/story/startup-stories/bhaskar-puran-poli-ghar>, <https://www.forbes.com/profile/jeff-bezos/?sh=4edbad491b23>



Now if you look at this particular snapshot you will be able to see there is an image of Jeff Bezos which is definitely the founder of Amazon and we all know the place which Amazon occupies in our lives. You must have shopped on Amazon a couple of times rather many more times and this person stands credited for establishing this huge organization. So the another image that you see is of K.R. Bhaskar who is the owner of Bhaskar Puran Puli Ghar. So he is also one of the marvellous examples of retailing and entrepreneurship intermix because he particularly came up with his own stores which are known for selling Puran Puli which is a Maharashtrian delicacy like hot cakes and definitely he makes a lot of profits out of them. If you want to know more about him you can basically search the Shark Tank episodes and trust me you will be definitely inspired by this person if you will look at his journey from you know using cycle to sell food stuff and then maybe teaching dancing somewhere and then finally establishing Bhaskar Puran Puli Ghar which is the first love of many people who actually like Puran Pulis. Then the next image which you see is of the founder of IKEA Ingvar Kamprad.

Now he again is one of the fascinating examples of very successful retailing. If you think of furniture you cannot miss out on thinking about IKEA. Now the next person which you see is Howard Schulz who again is the founder of Starbucks. In the last session we had definitely spoken about the marvellous creation at Shanghai China which is a coffee wonderland and is known very well for creating experiential experiences for the customers which are not only new and unique but also become very memorable for them. So this is the person who stands behind the same idea.

In the last snapshot that you see is of Subhash Chandra who is the founder of Sangeeta mobiles. This is a very popular chain in South India for selling not only mobiles but also

a lot of allied accessories. So this again is one of the marvellous examples of successful retailing.

■ Entrepreneurial Opportunities : Sam Walton, Founder of Walmart



The screenshot shows the Walton College website. At the top, it says 'Walton College The Sam M. Walton College of Business'. Below that, there are navigation links: 'Future Students', 'Current Students', 'Academics', and 'Research & Outreach'. The main content area features a news article titled 'Celebrating Sam Walton, Arkansas Business Hall of Fame Inductee in 1999'. To the left of the article is a small image of a 'KANSAS BUSINESS HALL OF FAME' award. To the right is a larger portrait of Sam Walton. A URL is provided: <https://www.youtube.com/watch?v=v35a4blwx6E&t=43s>. Below the URL, it says 'Source for the video: Walton College Video 1.21K subscribers'. At the bottom of the screenshot, there is a source URL: <https://walton.uark.edu/news/posts/archive/fame/celebrating-sam-walton-arkansas-business-hall-of-fame-inductee-in-1999.php>. The bottom of the screenshot also shows logos for 'swayam' and 'NPTEL' and a page number '4'.

Source: <https://walton.uark.edu/news/posts/archive/fame/celebrating-sam-walton-arkansas-business-hall-of-fame-inductee-in-1999.php>

Now I thought as and when we are learning about these marvellous entrepreneurs why not look at the entrepreneurship journey of Sam Walton who is the founder of Walmart. So he was basically added to the Kansas Business Hall of Fame in 1999.

So we will be looking at this video which is basically sourced from Walton College video and this actually presents a snapshot about the life of Sam Walton and how he became the founder of Walmart which again is one of the legendary retailing examples and one of the best examples to understand what best retailing can be. So we will be first looking at this video and then we will be moving forward.

*In March of 1918 Samuel Moore Walton was born in Kingfisher Oklahoma. His family soon moved to Missouri where he was an Eagle Scout by the age of 13, a high school basketball star and quarterback on the state championship team. He graduated from the University of Missouri at Columbia in 1940 with an economics degree while paying his way by delivering newspapers.*

*He served in World War II as a captain in the US Army Intelligence Corps from 1942 to 1945, married wife Helen and immediately thereafter gained early retail experience at J.C. Penney's in Iowa. His first operation was a variety store in Newport Arkansas where he developed a deep understanding of what the customer wanted and an unmatched ability to motivate others. Eventually at the encouragement of Helen he opened the landmark Five and Dime in Bentonville Arkansas in 1951. Never content he began to look beyond the small variety store format and in 1962 at the*

*age of 44 he opened his first Walmart in nearby Rogers. The company's early success exceeded Walton's expectations resulting in a rapid state by state store expansion financed largely through proceeds of a public stock offering in 1971. His formula was simple, the customer is boss. Shareholders which included most associates who worked for the company reaped the benefits of Walmart's success. The stock split 10 times over the next 22 years.*

*In December of 1998 the stock hit an all time high after increasing approximately 350 percent over the previous two years. The result has been a 36 year old company exceeding 100 billion dollars in annual sales which is the largest private employer in the nation. Over his lifetime Sam Walton was frequently recognized for both his business success and his commitment to the community. That commitment has grown and in 1997 Walmart's contributions to children's hospitals, scholarship programs, the United Way and other causes has surpassed 100 million dollars for the year. He was named America's most successful merchant by Fortune magazine, was featured on A&E's biography and was recognized by CBS and Time magazine as one of the 20 most influential business geniuses of the 20th century.*

*Shortly before his death in April of 1992 Walton received the Presidential Medal of Freedom from President George Bush, the highest honor the country bestows on its private citizens. Posthumously Walton was also recognized along with Helen and his entire family in receiving the prestigious 1997 National Patriots Award. Sam Walton was a man whose drive to succeed motivated people and a man whose dedication was to his community, his business and his family. Walmart's phenomenal growth and pursuit of excellence is unparalleled in the history of commerce. For all his accomplishments he is deserving of the Arkansas Business Hall of Fame.*

So I believe that you really enjoyed learning about the life of Sam Walton. So carrying forward the same discussion we'll be now looking at the best lessons for successful retailing by the legendary Sam Walton.

## Lessons for Successful Retailing by Sam Walton



Source: <https://corporate.walmart.com/10-rules-for-building-a-better-business>

So the first lesson which Sam Walton has prescribed for doing retailing the right way is commit to your business. So what he is trying to say is that you should believe in your business more than anybody else and if you start loving your work, work will actually not feel like work. That is more going to be an enjoyable experience and in such cases you'll be not only investing a lot more time in doing your job but you'll also be getting more creative about it just because of the simple fact that you are in love with your work.

And as and when you become more passionate about this that is definitely also going to be infectious for other people in your team. So the another lesson for successful retailing which he prescribes is share your profits with all your associates and treat them as partners. So what he is trying to say is that you should not be taking all your profits with you. If you start sharing with your associates and you start treating them as partners they'll be definitely performing much beyond than your expectations. Now you can also think about in simple terms when you have a lot of people who are performing beyond expectations now you can think of the greater heights where the organization can definitely be taken.

So apart from these two lessons the third one which he definitely mentions is motivate your partners and money is not always going to be the motivator. So what you are required to do is you need to set high goals encourage competition and then keep score of that and you don't need to be too much predictable about it. So what is required in this case is you will see many times a pat on the back words of encouragement appreciating or providing a certificate of appreciation is definitely going to be a lot more than just money. Even if you look at a lot of psychological theories it is very well established by them also if not for everyone but for some people money will definitely stop working as

a motivator. So the third tip for successful retailing which the legendary and much celebrated Sam Walton prescribes is communicate everything you possibly can to your partners and definitely communication is the key.

If you want to achieve or you need to get to the greater heights the strategic team definitely has to be on the same page. Even if there is an iota of confusion between the strategic team things are not going to work and it is not just limited to strategic team. Just imagine an organization could be saying you know we will be creating wow factor for our customers in retail stores but this has not been communicated to the people who are working on floor or the sales executives who deal deal with the customers or the cashier who actually takes cash from the people and then hands over the product to them. If they have not adopted this particular mission of the organization of creating wow factors things are not going to work. So everybody has to be on the same page.

In other ways we can say marketing should be embraced by everyone in the organization. Even if you look at the toplevel executive even if you look at the someone who is basically involved in keeping your stores more cleaner and hygienic. So marketing should be embraced by everyone. So the another lesson which he prescribes is about celebrating your success and I am very hopeful this is very much self explanatory.



Apart from celebrating your success another thing which we need to consider is that you should not be taking your failures too seriously because retail journey is definitely going to be a lot of ups and downs you should not give up at any point rather you should be moving forward with the same enthusiasm.

So another thing which Sam Walton prescribes is basically associated with listening to everyone in the company. See if you start googling about the ideas of successful products and from where they come as far as an organization is concerned you will be able to see there is no fixed formula for this. Many times you might have a person who is driving the car of the CEO he might also give an idea for a star selling product which could be developed by the organization at a later date. So what he is trying to say is that you should be open to listening to the ideas from all sections of your organization rather I would say from all sections of the society. The people who are even using competitors product can also tell you what is so good about their product and what is missing in your product and that can also lay the foundation of a much enhanced much developed star selling product.

So the key is being open to listening to everyone. So another tip which he provides for successful retailing is exceed your customer expectations and this is definitely amongst the best ones. See gone are the days when we were only focusing on customer satisfaction or we were thinking about how we can create satisfied customers. Now we have reached stages where we need to create wow and delight factor even in the smallest of transactions that you are having with your customers because as I have been repeating it a couple of times you just don't need to capture a share in their wallet you also need to capture a share of their heart only then there is going to be a very strong emotional connect as far as your brand and the customers are concerned. Now as we move further another lesson is about controlling cost and definitely better than your competition.

Now you might be wondering why this kind of captures so much importance see cost is definitely an important factor and many times you will see customers who are very very price sensitive and this is one of the reasons why D-Mart is so successful because it is more like a no frills store they have cut down on their cost and they are providing passing on and they are passing on these benefits to their customers right. So if you have a customer who is buying groceries so even a smaller difference can make a huge impact and this is what turned out magical for D-Mart if you have visited D-Mart you will be definitely be able to recollect what I am saying or otherwise you can Google or look at some of the videos of this legendary retailer as far as Indian grocery market is concerned so if we get to this discussion the whole idea is you should look at the activities where cost can be controlled and you should see how you can do it better than your competitors eventually transferring this benefit of reduced cost to your customers in terms of more discounts or making products available to them at cheaper rates. Now we get to the last lesson for successful retailing which is swim upstream which technically means go the other way ignore the conventional wisdom if everybody else is doing it one way there is a good chance you can find your niche by doing exactly in the opposite direction. So what Sam Walton is trying to say is that you should definitely try thinking out of the box it's not like if a retailer has come up with a new product or let's say they have come up

with a different strategy you just need to adapt to that for your customers you can rather ignore and think of a new strategy which can even outsmart the competitor which is more like thinking out of the box and doing something which even your competitors might not have expected and this is definitely being discussed in a positive light. So I'm hopeful that you definitely enjoyed this discussion on lessons for successful retailing by the much celebrated Sam Walton and even if you are in retailing business or let's say in future you get to a retailing business I would definitely urge you to apply these because these definitely comes from one of the most successful retailers globally.

So we just now discussed one of the best examples of a global retailer I thought why not present you one of the best examples from India itself which is definitely the co-founder of Boat Aman Gupta.

- Entrepreneurial Opportunities: Aman Gupta, Co-Founder of Boat



**boat**

<https://www.youtube.com/watch?v=31UVvKEYO6k>

Source for the video:

Think School 

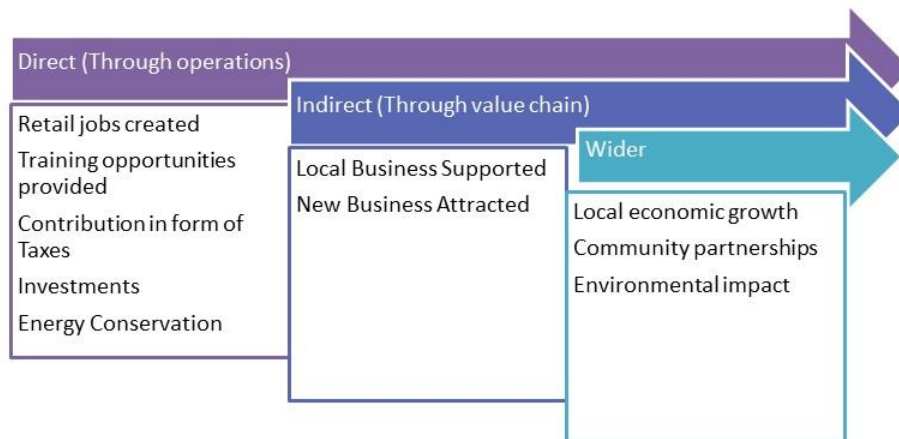
Source: Think School, YouTube Official Channel, <https://www.youtube.com/watch?v=31UVvKEYO6k>

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He is a very successful entrepreneur as far as India is concerned along with that he has also been one of the most dynamic judges on the shark tank if you know about this show so what I would urge you is to look at the video which presents how Aman Gupta's marketing strategy turned Boat into a 1500 crore company this particular video has been derived from the ThinkSchool youtube channel so I'm really hopeful that you will enjoy this particular video and as far as our country is concerned we also need to celebrate our own entrepreneurs who are taking this country to new heights and Aman Gupta is definitely one of them. So I really hope you enjoyed watching this video on boot and how it became one of the best brands as far as Indian markets are concerned.



## Direct, Indirect and Wider Impact



Source: <https://corporate-citizenship.com/wp-content/uploads/Socio-economic-impact-factsheet.pdf>

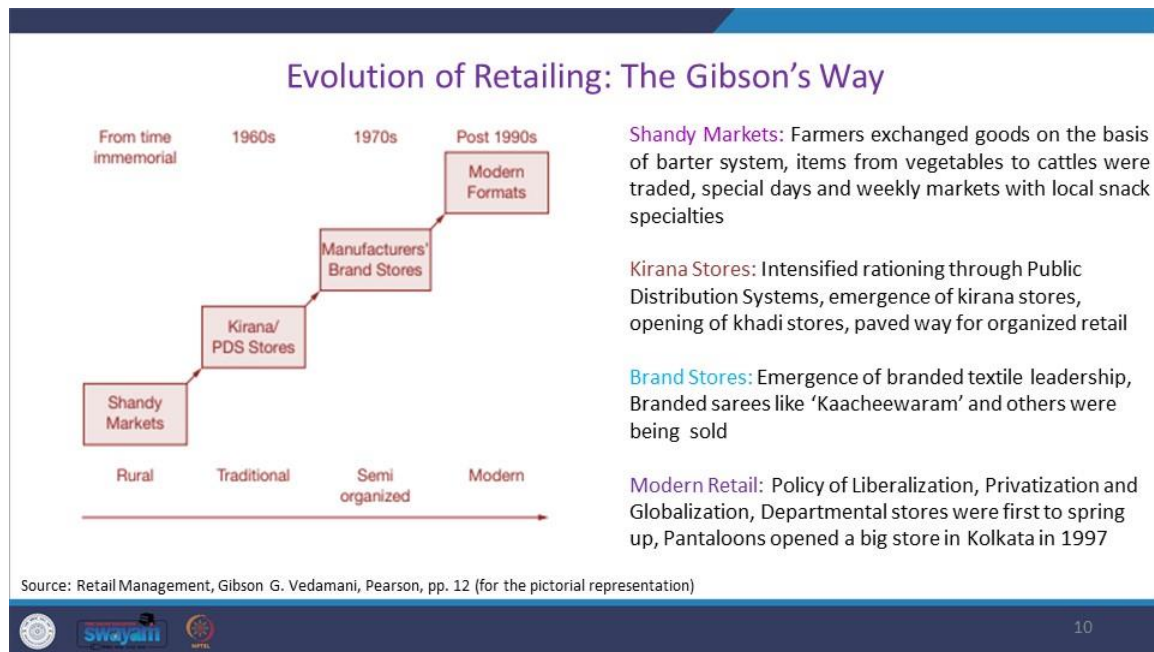
So if you look at this particular snapshot it gives you an overview of the direct indirect and wider impact which retailer makes to an economy. So although we have discussed all these facets still we will just run through them so whenever you are talking about direct impact which happens through the operations of the retailers this can be looked at from the perspective of jobs being created the training opportunities which retailer provides to the staff which work in their stores or which are involved with different facets of the working of an organization the contribution it makes in the form of taxes and the investment which a retailer makes now this investment can not only be looked at from the perspective of fixed investments which retailers makes but also from the CSR activities which are undertaken by them. Let's say a retailer might think of setting up a school for the needy in that particular vicinity where they are operating this can also be looked at from the perspective of investments.

Apart from that through energy conservation also they make an impact. Now this can happen in a variety of ways one thing is let us say they start using more of solar energy they get involved with rainwater harvesting. So all these factors can be looked at from the perspective of energy conservation. Another thing could be let us say they dedicate one hour where there will be no usage of electricity. Now this can also be considered as one of the facets of energy conservation.

Apart from that whenever a retailer grows as far as their business is concerned there is definitely going to be a lot of dependence on value chain right. So, considering this local business is definitely going to be supported let us say there could be a development in transport facilities in that particular area and new businesses could also be attracted in the vicinity where the retailer is definitely growing. Now when you look at the wider

impact this again can be looked at from the paradigms of local economic growth, community partnerships and the environmental impact which the retailer makes as far as the overall dynamics are concerned. See if you are looking at the perspective of environmental impact just look at the players that have entered into the market and are manufacturing electric vehicles. Now you can imagine if a lot of people adopt electric vehicles how much contribution they will be making in kind of providing a cleaner and a more healthier environment to the generations to come along with that they will also be making a much more contribution in reducing the carbon emissions.

So, this is one such example which can be looked at from the perspective of environmental impact. So, all this discussion was all about if we even get to the perspective of entrepreneurship opportunities the contribution which retailer makes to an economy. Now as we move further we will be eventually looking at the evolution of retailing.



So, the one way in which we are going to understand this can be associated with one of the popular writers on retailing which is Gibson. Now as far as this particular evolution is concerned we start looking at it from the paradigms of time immemorial and then we get to 1960s and then finally, 1970s and then we look at it from post 1990s which was actually marked by one of the most popular policies of the government which heavily depended on liberalization, privatization, globalization.

So, if you get to the era of post 1990s what makes it so unique is the policy of the government at that time which heavily promoted liberalization, privatization and globalization and we all know what this is done to our countries in all good ways. Now if you get to the time immemorial what you need to understand is the dominance of

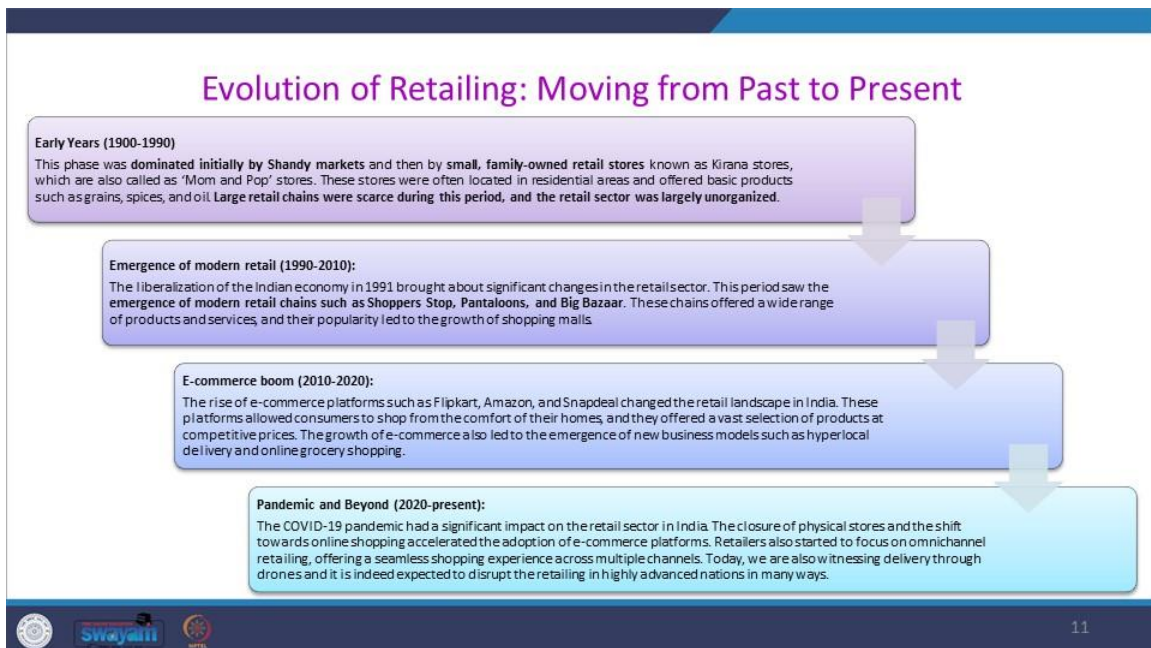
shandy markets. Now if you want to understand shandy markets you can look at the mandis which are typically organized in various cities. They are very much unorganized and can also be considered as public gathering places for buying and selling agricultural products or maybe other products, but if you get to the period before 1960s this can be also associated with buying of let us say livestock, cattle or agricultural and non agricultural products. See but what makes this time period unique is the fact that barter system was basically being used.

You will see a lot of people gathering and they will be exchanging products for the products and you would also see a lot of markets being organized either weekly, daily or within 15 days, but these are all going to have their specialty not with respect to the local Delhi cases that would be prepared and sold in these markets by the people who were involved in the food business at that time. Apart from that every market was unique in its own way like you could have one market which would only be meant for selling let us say kettles or another market which would only be specific with respect to selling agricultural produce or one thing let us say could be related to you know any other products like vegetables which could be traded on the basis of barter system. So, when we moved past this era we got into the era of kirana stores which are also called as mom and pop stores and we all know these basically are the stores which we find in all residential areas and they basically capitalize on the convenience factor which they provide to the people who are living in the same vicinity or near around them right. So, during this era apart from the development of kirana stores we also saw a very very highly intensified execution of the public distribution systems where essential products like let us say kerosene other oils or sugars were being sold through this public distribution system networks. This particular era also saw the emergence of kadhi stores which eventually paved the way for organized retail.

And now when we got to 1970s one thing which made this era particularly very special was the emergence of branded stores with respect to only textile industry. So, this was the particular era in which all these brands which are existing even today let us say like Vimal, Gualiar, Raymond emerged and specifically for the textile industry brand association became very important. Along with this branded sarees which were being associated with different regions like Kachivaram also became very very popular. I am again repeating this was the particular era in which brands were introduced as far as textile markets are concerned. So, this was the first time when India was introduced to the concept of branding right and as we will move forward we will be definitely talking a lot more about what brand means for the retailers and also with respect to private label brands the brands which actually belong to retailers and are manufactured by them.

Now, if you eventually get to the era which can be marked post 1990s this was the era of liberalization, privatization, globalization during this era departmental stores were first to spring up. So, in a way we were moving towards organized retailing with a much better

speed along with that almost 2000 malls were opened in different parts of India like Mumbai, Delhi and Bangalore and Calcutta and specifically at Calcutta Pantaloons opened a very big store in 1997. Now, if you start analyzing things post 1990s you will see where we are today where almost technology is at the fulcrum of all retailing activities whether this is with respect to supply chain or consumers or also with respect to the customer care executives that work in stores and are also using handheld devices in assisting consumers in the best possible ways and how can we forget the fact that online markets are definitely moving with a lot more intensity with respect to capturing a lot of product categories and working towards developing the preference of consumers for online shopping. So, this particular evolution of retailing can only be aligned with the Gibson's way. So, there is another way of looking at it which can be analyzed from the perspective of past to present.



So, this is actually divided into four major parts. So, the first one is early years which ranges from 1900 to 1990s. Now, again this is an era which was dominated by shandy markets, the public gathering places and another was I would say with time Kirana stores became popular in this era which offered a lot more convenience to the people with respect to buying groceries and some low ticket items. But another thing which can be associated with this particular era is large chains was cast during this period and retail sector was largely unorganized. So, this is again one thing which makes this era very very unique.

Now, as we move forward we got into the era of modern retail which can be spanned across 1990 to 2010. Now, in this era the policy of liberalization, globalization,

privatization definitely flourished and this saw the emergence of retail chains like Shoppers Stop, Pantaloons and Big Bazaar. So, whenever we are talking about these retail chains we cannot ignore the fact there came a lot of convenience, a very wider assortment of products and we were moving toward an era where the brand preference was definitely going to occupy a much more place with respect to what consumers buy and what they do not buy. Now, after this era we got into a zone of e-commerce boom which can be actually marked from the year 2010 to 2020 where we saw the rise of e-commerce platforms like Flipkart, Amazon, Snapdeal and which definitely completely changed the retail landscape as far as India is concerned. Apart from that it also allowed people to buy products whenever they wanted whether it was let us say during 6 am in the morning, sometime in the afternoon or even at 12 am in the night.

So, the barriers of time and place were actually removed and people could shop at any time of the day from all these different e-commerce platforms. Apart from this the concept of hyper local delivery and online grocery shopping also became very popular during this era. Whenever we are talking about hyper local delivery what you can consider is brands like Blinkit which are providing delivery for groceries in 10 minutes and I think there are other players also which are doing the same for the customers and eventually this becomes a problem for them if the competitor is doing. Whereas earlier days if you ordered something online you will be only getting it after 2-3 days but now players like Amazon Prime and Flipkart plus are also offering one day deliveries for certain product categories. So, you can just recollect from where we have moved whereas earlier it was taking a few days in getting delivery now we have got to a point at least for groceries it has now touched 10 points.

Now finally we get to the era of pandemic where a lot of people were actually forced to shift their preferences to online shopping. However things have become definitely a lot better now and even physical stores are adopting a lot of strategies to communicate to their prospective consumers that these are safe places and all the precautions are being taken to kind of assure a good shopping experience rather a good and healthy shopping experience to the customers. But as far as this particular facet is concerned how shopping has changed after pandemic we will be talking a lot more about it in a specific module because whenever we are talking about the evolution of retailing we just cannot ignore the fact how pandemic has impacted our shopping habits and how retailers were forced to adopt or come up with different strategies to reach out to customers during the COVID times. Like you will be surprised to know during specifically the COVID times WhatsApp emerged as a very very important medium for reaching out to customers and a lot of companies are using that now also. So we will be talking about these facets in detail as far as we will be progressing with this course but I am really hopeful that you got a very sophisticated perspective about the evolution of retailing the journey which can actually be looked at from the perspective of where we were and where we are now.

And when we talk about where we are now we can't ignore one of the growing things which is delivery services which can be associated with Amazon.


**Extra Fodder for Thought: Amazon PrimeAir: Drone Delivery Services**

BUSINESS INSIDER INDIA

Home > Transportation > The Most Staggering Part About Amazon's Upcoming Drone Delivery Service

**The most staggering part about Amazon's upcoming drone delivery service**

■ EUGENE KIM | JUN 16, 2016, 00:00 IST



Source: <https://www.youtube.com/watch?v=Ds78kHn-n84>

Source: CNBC Official YouTube Channel

Source: <https://www.businessinsider.in/The-most-staggering-part-about-Amazons-upcoming-drone-delivery-service/articleshow/52770927.cms>

Swajati IPTL 12

So we will be looking at this fascinating video which will be giving you a perspective about the delivery through drones which indeed is very popular in advanced nations like USA and we hope that India will also be catching up with the same in a very short span of time.

*One of the capabilities that this drone has is that not only is it fully autonomous which means that it does not have a pilot. We load the mission into the drone at the delivery station as we load the package into the drone and send it off to complete its delivery.*

*That box is the only size box that fits inside the drone. So all of the products that are available all fit inside that box. Our drones fly 12 kilometers round trip and they make one delivery on each trip. If when it gets to its delivery location your dog runs underneath the drone we won't deliver the package. We will go back to the delivery station and let the customer know that we weren't able to deliver the package.*

I'm sure you got a new perspective about drone delivery services.

## Learning Something New

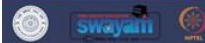


### Emotional Labor:

It is all about managing feelings and expressions while at work



Source: <https://www.airindia.in/>



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So now we finally get to our another exciting element which is learning something new and you will be exposed to this exciting element a couple of times in the entire course. So as far as this session is concerned we will be learning a new term which is emotional labour. This technically means how an individual manages feelings and expressions while at work. You might be wondering why this becomes important in retailing. This is of crucial importance when you talk about sectors like tourism.

Now can you recollect a single incident when let's say when you were catching a flight and the cabin crew didn't greet you with a smile. Right they might be going through anything in their personal life or they might not be having a good day but still as far as their job is concerned they are required to greet you with a smile. Now this captures the essence of emotional labour which means they are required to express or greet you with a smile because this is important as far as this tourism industry is concerned. And a lot of researchers have worked on emotional labour if you want to learn more about it you can definitely google or maybe you can look at some of the research papers on google scholar and you'll be able to see some fascinating research about emotional labour. But eventually this becomes very important for retail sector also and you know we really need to figure out ways where this can be balanced because we also need to treat that workforce as humanly as we are.

So I hope you really enjoyed learning about emotional labour. So this particular snapshot also establishes the fact that if you look at the cabin crew who is actually providing something to the girl sitting she is anyway doing that with a smile and they are always required to do the same thing and this eventually captures the essence of emotional labour. So as far as learning something new was concerned I am hopeful that you

enjoyed learning about this term also. So as we'll be moving forward with this course we'll be learning a lot more fascinating things. I thank you for now wishing you a good day.